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OFFICE OF FEDERAL COURTSUNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----x Chapter 11

In re : Case No. 86 B 12206 (Jointly Administ

CUYAHOGA EQUIPMENT CORPORATION, :
et al., :Debtors. :
-----xORDER SETTING HEARING ON TRUSTEE'S APPLICATION
FOR APPROVAL OF OPTION AGREEMENT WITH DELAWARE
AVENUE ENTERPRISES, INC. REGARDING PRIORITY OF
OVERLAND CORPORATION AND SETTING PROCEDURE FOR
ENTERTAINING OFFERS

Upon the annexed application of Chester B. Salomon, as chapter 11 trustee (the "trustee") of the Cuyahoga Group estates, by his attorneys, and for sufficient cause, it is

ORDERED that a hearing will be held on July 19, 1988, at 10:00 a.m. in Courtroom 617-1, United States Bankruptcy Court, The Old Custom House, One Bowling Green, New York, New York 10004, before the Honorable Prudence B. Abram, United States Bankruptcy Judge, to consider the trustee's application for an order, pursuant to 11 U.S.C. §§ 105(a) and 363(b) and (f), approving the option agreement, dated as of May 27, 1988, between the trustee and Delaware Avenue Enterprises, Inc. with respect to property of Overland Corporation, and for such other and further relief as is just; and it is further

ORDERED that the trustee is authorized to entertain higher and better offers at the offices of the trustee's

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co-counsel, LeBoeuf, Lamb, Leiby & MacRae, 520 Madison Avenue, 29th Floor, New York, New York 10022, on Monday, July 18, 1988, at 2:30 p.m.; and it is further

ORDERED that the court will not entertain higher and better offers at the hearing set in the first decretal paragraph hereof; and it is further

ORDERED that, pursuant to Bankruptcy Rule 2002(a)(2), good and sufficient service of this order and application shall be made if served on all parties on the service list annexed hereto as Exhibit B and upon the United States Environmental Protection Agency and Publicker Industries, Inc., by first-class mail, not later than June 17, 1988; and it is further

ORDERED that in addition to the service provided above, the trustee shall serve by first-class mail copies of this order and application not less than twenty days in advance of the hearing upon all persons, if any, not previously served who have an interest in the subject property, as disclosed by a search of the appropriate public records; and it is further

ORDERED that objections, if any, to the relief sought in the trustee's application, must be received by the court and co-counsel for the trustee at least three business days prior to the hearing date.

Dated: New York, New York
June 9, 1988

/s/ PRUDENCE B. AGRAM
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	:	Chapter 11
CUYAHOGA EQUIPMENT CORPORATION,	:	Case No. 86 B 12206 (PBA)
et al.,	:	(Jointly Administered)
	:	
Debtors.	:	

-----x

APPLICATION FOR APPROVAL OF OPTION AGREEMENT
WITH DELAWARE AVENUE ENTERPRISES, INC.
REGARDING PROPERTY OF OVERLAND CORPORATION

TO THE HONORABLE PRUDENCE B. ABRAM, BANKRUPTCY JUDGE:

The application of Chester B. Salomon, as chapter 11 trustee, by his attorneys, respectfully sets forth and alleges:

Introduction

1. On November 20, 1986, an involuntary petition for relief under chapter 7 of the Bankruptcy Code was filed against Cuyahoga Equipment Corporation, a Florida corporation. On November 21, 1986, the involuntary chapter 7 petition was amended and made into an involuntary chapter 11 petition. On November 20, 1986, involuntary chapter 11 petitions were also filed against Cuyahoga Wrecking Corporation, a Florida corporation, Cuyahoga Wrecking Corporation, an Illinois corporation, Cuyahoga Wrecking Co., Inc., an Ohio corporation, Jordan & Foster Scrap Corporation. On November 25, 1986, the five debtors named above filed consents to relief under chapter 11, and relief was thereafter ordered. On December 31, 1986, voluntary petitions for relief under chapter 11 were filed by Wrecking Corporation of

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America, an Illinois corporation, Wrecking Corporation of America, an Ohio corporation, Cleveland Demolition Co., Inc., and Cuyahoga Wrecking Corporation (an Ohio corporation, but not denominated as such in the caption of the petition). On January 3, 1987, voluntary petitions for relief under chapter 11 were filed by Cuyahoga Wrecking Corporation of Florida and Overland Corporation, a Pennsylvania corporation. On February 2, 1987, a voluntary petition for relief under chapter 11 was filed by Cuyahoga Wrecking Corporation, a Michigan corporation. The above debtors will be collectively referred to as the "Cuyahoga Debtors."

2. The Cuyahoga Debtors continued in the operation of their business and management of their properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code until February 11, 1987, at which time Chester B. Salomon was appointed chapter 11 trustee of the Cuyahoga Debtors. Such appointment was amended on February 18, 1987, to include Overland Corporation ("Overland"), which had been previously excluded.

3. The trustee makes this application for an order pursuant to sections 105(a) and 363(b) and (f) of the Bankruptcy Code, approving the option agreement between Chester B. Salomon, as trustee, and Delaware Avenue Enterprises, Inc. ("DAE"), dated as of May 27, 1988, with respect to property owned by Overland, and granting the trustee such other and further relief as is just.

Background

4. The only tangible assets of the Overland estate are the land, improvements and personal property located on approximately 38.6 acres located on the Delaware River in Philadelphia, Pennsylvania. Overland acquired the property from Publicker Industries, Inc. ("Publicker") on March 31, 1986. Publicker had used the property since the turn of the century as an alcohol processing plant.

5. Upon information and belief, Overland acquired the property for the purpose of demolishing the alcohol processing plant, selling the demolition products, including scrap steel and other metals and the usable parts of disassembled equipment and machinery, in conjunction with the Cuyahoga Debtors, and thereafter developing the cleared land or offering it for resale.

6. On March 31, 1986, Overland purchased the property from Publicker for \$3 million. Of the purchase funds, \$2.7 million was wired into the closing from Freedom Savings and Loan Association ("FSLA").

7. On the same date, Overland executed a \$4 million term note in favor of FSLA. As security for the \$4 million loan, FSLA obtained a security interest on the personal property, including the products of the demolition to be undertaken.

8. On May 30, 1986, FSLA loaned an additional \$2.7 million to Overland and obtained a first mortgage on the real property.

9. In September 1986, Harris Trust and Savings Bank ("Harris") obtained a guaranty by Overland of the obligations of the Cuyahoga Group debtors to Harris, of approximately \$6.6 million, and also obtained a second mortgage on the property to secure Overland's guaranty.

The Environmental Condition of the Property

10. The principal problem with the Overland property is its environmental condition. The trustee believes that the results of many decades of alcohol processing, and the deterioration of the industrial facility, based on Publicker's discontinuance of operations and ultimate sale for demolition purposes, have resulted in the possible spillage and seepage onto the property of hazardous materials. A fire during the summer of 1987 brought the property to the immediate attention of the United States Environmental Protection Agency ("EPA"), which is now engaged in a removal action within the meaning of 40 C.F.R. § 300.65, and has effective control of access to the property.

11. The trustee has been informed by counsel that, as owner of the property, the Overland estate has liability under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq. for the clean-up of the property. Those persons who may have caused or contributed to the release of hazardous substances on the property are potentially responsible persons ("PRP's"). The potential CERCLA liability in connection with the property may approach or even exceed \$10 million.

12. The CERCLA liability is the significant factor in depressing the value of the property and in impeding the trustee's disposition of the property.

The Option Agreement

13. In January 1988, representatives of the trustee and FSLA met with representatives of Holt Hauling and Warehousing System, Inc. ("Holt"), which expressed an interest in acquiring the property notwithstanding the environmental condition. Holt operates a facility in Gloucester City, New Jersey, on the opposite side of the Delaware River from the Overland property. Negotiations that were commenced at such meeting have resulted in the option contract with DAE, Holt's affiliate, a copy of which is annexed hereto as Exhibit A, which is the subject of the present application.

14. The parties decided to pursue an option agreement rather than a sale, because the parties believe that an optionee is not likely to be a PRP under CERCLA. The optionee presumably would have an opportunity to negotiate with EPA and other PRP's for a consensual remediation plan and resolution of clean-up liability. With such an agreement in hand, the optionee would be in a position to exercise the option and take title to the property, after minimizing its business risks and liabilities.

15. The option agreement provides for the payment of \$1,600,000 for the option to purchase the real and personal property for \$400,000. (Option Agreement, ¶¶ 1.2, 1.7) The trustee may exclude certain personal property identified on a

schedule to the agreement from the sale by removing it within one year. (§ 4.1, Schedule C) The option term is ten (10) years (§ 1.3.1), subject to a five (5) year extension for the payment of \$50,000 (§ 1.5), and also subject to an early termination provision (§ 1.4). This provision shortens the option period to 6 months after DAE receives notice from the trustee of the occurrence of one of the following three events:

a. A determination by EPA not to list the property on the National Priorities List ("NPL"), provided that there is no other pending action by an environmental regulatory agency. (§ 1.4.1)

b. If EPA determines to list the property on the NPL, a subsequent determination by EPA published in the Federal Register to delete the property from NPL, based on an improvement in the environmental condition of the property. This provision also requires that there is no administrative or judicial proceeding to challenge EPA's determination and that there is not pending an environmental action by any other governmental agency. (§ 1.4.2)

c. The tender to DAE of a release or covenant not to sue by EPA and any other governmental agency that is engaged in clean-up related activities, except that EPA and such other agency may preserve the right to enforce liens in such agency's favor against the property. (§ 1.4.3)

16. In view of the length of the option and the trustee's inability to safeguard the property, the option agreement provides that DAE will take the property "as is, where is" subject to deterioration, and even vandalism. (§ 6.2) Indeed, there is a provision that limits DAE's remedies against the trustee to an offset against the \$400,000 exercise price (§ 22.1), except in the event of an action by the trustee, or his authorized agent, "affirmatively and knowingly with intent to deprive Optionee of any economic benefit" of the option agreement (§ 22.3).

17. The agreement provides that the trustee must be able to convey title to the property in fee simple absolute, subject only to a schedule of permitted encumbrances. (§§ 1.1, 3.1, Schedule B) Consequently, the option agreement provides for the trustee to seek relief under sections 105(a) and 363(b) and (f) of the Bankruptcy Code, subordinating all liens and encumbrances (other than the permitted encumbrances) to the option agreement, and in the event the option is exercised, conveying title free and clear of all liens and encumbrances (except the permitted encumbrances). (§ 1.2.3.2) Such liens and encumbrances would be transferred to the proceeds of the option agreement and, if the option is exercised, the sale. (Id.)

18. The permitted encumbrances (Schedule B) are essentially environmental liens in favor of governmental agencies, real property taxes, water and sewage charges, and non-financial property interests, such as zoning laws, easements,

facts revealed by current land title surveys, and the like. The separate treatment for the permitted encumbrances is consistent with two fundamental aspects of the option agreement: The first is that any lien in favor of a governmental agency for clean-up costs will be the responsibility of DAE, if and when DAE takes title. The second is that in light of the anticipated length of the option term (as much as 15 years) and the trustee's lack of resources (financial and otherwise) to deal with continuing obligations associated with the property irrespective of whether operations are carried on, these expenses are to be borne by DAE. With respect to certain of the taxes and water and sewage charges, DAE may have an apportionment or offset right against the \$400,000 exercise price. (§§ 7.2, 22.1)

19. In the event that, at the time the balance of the option price is to be paid, the trustee cannot deliver good and marketable title to the land, in the opinion of DAE's title insurance company (or another reputable company approved by DAE), insurable as such at regular rates, then DAE is entitled to a refund of the \$400,000 deposit with interest. (§§ 3.2, 3.3)

20. Three other aspects of the option agreement deserve brief mention. The first is that DAE will have the right to terminate the option at any time. (§ 1.3.2) Except in the event of a breach by trustee "affirmative and knowingly with intent to deprive Optionee of any economic benefit," DAE relinquishes its right to a refund of any monies previously paid upon such a termination. (§ 1.8) The second is that DAE has the

right to purchase less than all of the real property, provided that any parcel remaining with the trustee is subject to acreage, configuration and public roadway frontage conditions. (§ 1.6.2) The third is that mutual releases of environmental claims are exchanged among the trustee, DAE and FSLA. (§ 1.9.1)

Grounds for Approval

21. In light of the environmental condition of the property, in the trustee's judgment, the option agreement provides for the best opportunity for the reduction of this asset to cash for distribution to the estate and secured creditors. The availability of this property for sale has been known to the general public for some time. No person has contacted the trustee, and to the best of the trustee's knowledge, no person has contacted FSLA, willing to purchase the property subject to its environmental condition. The location of DAE's affiliate on the opposite side of the Delaware River, makes this property especially desirable to DAE, and provides DAE the incentive to proceed with the transaction, notwithstanding the environmental condition of the property.

22. As further evidence that the option agreement provides the highest obtainable value for the property, the trustee will inquire whether higher and better offers for the property will be made, prior to the hearing on approval of this agreement. The trustee is giving more than twice the notice period required in Bankruptcy Rules 2002 and 6004. It is respectfully submitted that such notice will provide ample

opportunity for a prospective purchaser to familiarize itself with the terms of this agreement and the property, and determine whether to make a higher and better offer.

23. DAE's affiliate has advised the trustee that it needs to make its arrangements for the acquisition of expansion premises as soon as possible. Its ability to obtain the option quickly is part of its determination to pay \$1.6 million for such option. The option agreement provides that bankruptcy court approval must take place within 60 days, or DAE has the right to terminate and receive a refund of the \$400,000 deposit with interest. (§ 1.2.3.1) If there is an appeal, and all appeals are not resolved within 90 days thereafter, DAE again has the right to terminate and receive a refund. (§ 1.2.3.5)

24. Since maximizing the value of the property is dependent on the particular needs of an optionee that has a unique interest in the location, it is respectfully submitted that time is of the essence, and the standards for a sale of the principal assets of a chapter 11 debtor prior to confirmation of a plan, as annunciated in Committee of Equity Security Holders v. Lionel Corp., 722 F.2d 1063 (2d Cir. 1983), have been satisfied.

25. Because the option agreement has been negotiated with FSLA's participation and bears FSLA's conditional consent, the property may be sold free and clear of FSLA's interest pursuant to section 363(f)(2) of the Bankruptcy Code. The condition to FSLA's consent is the approval of an agreement between trustee and FSLA, which although not yet finalized, is

expected to be brought on for approval at the same time as the option agreement. In the event of an objection by FSLA, or the second mortgagee, Harris, the trustee submits that such respective interests are subject to bona fide disputes. In such event, the trustee will request that the court take judicial notice of the prior proceedings in this court concerning the respective mortgages and the evidence adduced that puts in question the validity of such mortgages. Consequently, the property may be sold free and clear of the first and second mortgages, pursuant to section 363(f)(4) of the Bankruptcy Code.

26. Since the two mortgages exceed \$10 million, the financial interest of any subsequent lien holder, who is not the holder of a permitted encumbrance, is negligible. It is respectfully submitted that the court may presume the consent of such an entity, or authorize the sale notwithstanding its objection, pursuant to sections 105(a) and 363(f)(1) and (5) of the Bankruptcy Code.

Procedure for Entertaining Offers

27. As set forth above, the trustee will entertain higher and better offers for the property. To avoid an in-court auction during the hearing to consider approval of the option agreement, the trustee requests that the court expressly order that no offers will be entertained during the hearing. The trustee requests that the court sanction a procedure in which persons desiring to make offers must make them at the offices of LeBoeuf, Lamb, Leiby and MacRae, 520 Madison Avenue, 29th Floor, New York, New York 10022, on July 18, 1988 at 2:30 p.m.

28. In the event the court authorizes such a procedure, the trustee will publish as soon as possible a notice of hearing and the procedure for entertaining offers, at least once in a newspaper of general circulation in Philadelphia and a nationally distributed business newspaper, in accordance with Local Bankruptcy Rule 42.

Conclusion

29. In sum, the trustee respectfully submits that the option agreement is in the best interest of the estate and merits the court's approval.

30. No previous application for the relief sought herein has been made to this or any other court.

WHEREFORE, the trustee respectfully requests that the court approve the option agreement with DAE concerning Overland's property, and grant the trustee such other and further relief as is just.

Dated: New York, New York
June 2, 1988

LEBOEUF, LAMB, LEIBY & MACRAE
Co-Counsel for the Trustee
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New York, New York 10022
(212) 715-8000

SALOMON GREEN & OSTROW, P.C.
Co-Counsel for the Trustee

By: /s/ Alec P. Ostrow
A Member of the Firm
919 Third Avenue
New York, New York 10022
(212) 319-8500

OPTION AGREEMENT

AGREEMENT made as of this 27th day of May, 1988, by and between CHESTER B. SALOMON, as trustee (the "Trustee") of Overland Corporation, a Pennsylvania corporation, the debtor ("Debtor") in a Chapter 11 proceeding (Case No. 87B 10026 (PBA)) pending in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") and DELAWARE AVENUE ENTERPRISES, INC., a Pennsylvania corporation ("Optionee").

W I T N E S S E T H:

1. The Option

1.1 Option to Purchase: Description of Property

Trustee does hereby grant unto Optionee the exclusive and irrevocable option (the "Option") to purchase from Trustee, upon the terms and conditions hereinafter contained, (i) those certain lots, pieces and parcels of land, situate, lying and being in the 39th Ward of the City of Philadelphia, and Commonwealth of Pennsylvania, as more particularly described in Schedule A-1 annexed hereto (collectively, the "Land"); (ii) all buildings and improvements located on the Land (collectively, the "Improvements"); (iii) the appurtenances and all the estate and rights of Trustee in and to the Land and Improvements; and (iv) all fixtures, equipment, and personal property located on or used in connection with the operation and maintenance of the Land and/or Improvements (collectively, the "Personalty"). The Land, Improvements and Personalty are hereinafter sometimes collectively called the "Property."

1.2 Consideration Payable for The Option

The consideration for granting of the Option is One Million Six Hundred Thousand Dollars (\$1,600,000) (the "Option Price"), without offset, counterclaim or reduction (except as otherwise expressly

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provided in paragraph 22.3 herein), payable by Optionee as follows:

1.2.1 Four Hundred Thousand Dollars (\$400,000) (the "First Option Deposit") upon execution and delivery of this Agreement, by plain check of Optionee, subject to collection, or official bank check, payable to the order of Salomon Green & Ostrow, P.C., as Escrow Agent (the "Escrow Agent"). In the event Optionee's check is dishonored, the Optionee shall have ten (10) days after written notice of such dishonor to cure, and upon the failure to cure, this Agreement shall immediately terminate without further notice and without further obligation upon any of the parties hereto.

1.2.2 One Million Two Hundred Thousand Dollars (\$1,200,000) (the "Second Option Deposit") by plain check of Optionee, subject to collection, or official bank check, payable to the order of Trustee, within thirty (30) days after issuance of the Court Order (as hereinafter defined). If the Second Option Deposit is paid by plain check, Optionee shall not record this Agreement or any Memorandum of this Agreement until such check is honored. In addition, in the event the Optionee's check is dishonored, the Optionee shall have ten (10) days after written notice of such dishonor to cure, and upon the failure to cure, this Agreement shall immediately terminate without further notice and without further obligation upon any of the parties hereto. Trustee shall have no escrow obligations with respect to the Second Option Deposit and may distribute such monies upon receipt.

1.2.3. Bankruptcy Court Approval

1.2.3.1. The obligations of Trustee and Optionee under this Agreement are expressly conditioned upon entry of an Order by the Bankruptcy Court, after appropriate notice to creditors and parties in interest, approving this Agreement and authorizing the Trustee, his successors and

assigns, to execute, deliver and perform this Agreement. In the event such order is not obtained within sixty (60) days of the date of this Agreement, Optionee may terminate this Agreement by notice to Trustee. In the event the Bankruptcy Court disapproves this Agreement, either Trustee or Optionee may terminate this Agreement by notice to the other.

1.2.3.2. The order of the Bankruptcy Court shall be in a form reasonably acceptable to Optionee, which shall indicate its acceptance by countersignature on the order. The order shall provide (i) that all liens and encumbrances affecting the Property other than the Permitted Encumbrances (as hereinafter defined) shall be subject and subordinate in lien and priority to this Agreement and the Option, and shall, if valid, attach to the proceeds, payable pursuant to this Agreement; (ii) that if this Agreement terminates, or expires without exercise and closing of the Option, then such liens and encumbrances shall, as of the date of such termination or expiration, affect the Property in accordance with their terms; and (iii) that upon the closing of the Option, the Optionee shall take title free and clear of all liens and encumbrances except the Permitted Encumbrances.

1.2.3.3 An order entered by the Bankruptcy Court in conformity with paragraph 1.2.3.2 that is not timely appealed is the Court Order within the meaning of paragraph 1.2.2. Neither Trustee nor Optionee may appeal from an order entered by the Bankruptcy Court in conformity with paragraph 1.2.3.2.

1.2.3.4. An order entered by the Bankruptcy Court in conformity with paragraph 1.2.3.2 that is timely appealed is the Court Order within the meaning of paragraph 1.2.2 if and when (i) such appeal is withdrawn and all additional appeals are waived or the time to file an appeal has expired without filing of a notice of appeal, (ii) the order is affirmed by an appellate court and either the time

to appeal from such affirmance has expired or all additional appeals are waived, or (iii) an appeal is dismissed by appellate court and all additional appeals are waived or the time to file an appeal has expired without filing of a notice of appeal.

1.2.3.5. If an order entered by the Bankruptcy Court in conformity with paragraph 1.2.3.2 is appealed, Optionee may not terminate this Agreement on or before the ninetieth (90th) day after the filing of the first notice of appeal. After such ninetieth (90) day if such order is not the Court Order pursuant to paragraph 1.2.3.4, Optionee may terminate this Agreement by notice to the Trustee.

1.2.3.6. Notwithstanding paragraph 1.2.3.5, if an order entered by the Bankruptcy Court in conformity with paragraph 1.2.3.2 is appealed and reversed or modified by an appellate court, either Trustee or Optionee may terminate this Agreement by notice to the other.

1.2.3.7. If Optionee or Trustee terminates this agreement pursuant to this paragraph 1.2.3, then this Agreement shall be null and void and the Escrow Agent shall promptly return all monies previously paid by Optionee hereunder, together with all accrued interest thereon, and upon such return of funds to Optionee there shall be no further liability or obligation upon either of the parties hereto.

1.3 The Option Term

1.3.1 The initial term of the Option (the "Initial Option Period") shall commence as of the date hereof, and shall expire upon the first to occur of (i) 11:59 P.M. on the day preceding the tenth anniversary of the date hereof or (ii) six (6) months after the date on which

Optionee receives notice from the Trustee of the occurrence of any of the events listed in paragraphs 1.4.1, 1.4.2 or 1.4.3.

1.3.2 Optionee, at any time and for any reason whatsoever, shall have the right to terminate this Agreement and surrender and terminate the Option by written Notice to the Trustee. The provisions of paragraph 1.8 shall apply to such termination and surrender.

1.4 Environmental Protection Agency: Early Expiration of Initial Option Period

The Federal Environmental Protection Agency (the "EPA") lists properties on the National Priorities List (the "NPL") as described in and pursuant to Subpart F - Hazardous Substances Response, 40 C.F.R. § 300.61 et seq. (1987).

The Initial Option Period, or the Extension Period (as hereinafter defined), as the case may be, shall expire six (6) months after the date the Optionee receives notice from the Trustee of the occurrence of any of the following events; provided, however, that in no event shall the Initial Option Period expire pursuant to this paragraph 1.4 on a date that is later than the day preceding the tenth anniversary of the date hereof and in no event shall the Extension Period expire on a date that is later than the day preceding the fifteenth anniversary of the date hereof:

1.4.1 The completion of a pending removal action, as described in 40 C.F.R. § 300.65, on the Property, and a determination by the EPA to not list the Property on the NPL, provided that there is not pending or threatened any action with respect to the environmental condition of the property by the EPA or the agencies of the Commonwealth of Pennsylvania or the City of Philadelphia having jurisdiction over the environmental condition of the Property.

1.4.2 In the event that the Property is listed on the NPL after the completion of a pending removal action, pursuant to a determination by the EPA, following publication in the Federal Register, to so remove the Property from the NPL due to an improvement in the environmental condition of the Property (and after expiration of any proceedings contesting or objecting to EPA's determination, confirmation of such EPA determination, and expiration of any appeal periods without filing of an appeal or after confirmation of the EPA's determination on appeal, as the case may be), provided that there is not pending or threatened any action with respect to the environmental condition of the Property by the EPA or other federal agency or the agencies of the Commonwealth of Pennsylvania or the City of Philadelphia having jurisdiction over the environmental condition of the Property.

1.4.3 The tender to Optionee by the EPA, the Pennsylvania Department of Environmental Resources ("DER") and any other governmental agency involved in, or having jurisdiction over, cleanup activity on the Property at or about the time of such tender, of a release or covenant not to sue Optionee, its affiliates, shareholders, directors, officers or agents, in form and substance reasonably satisfactory to Optionee, provided that any such agency may preserve its rights to enforce any liens against the Property in favor of such agency.

1.5 Extension of Option Period

Optionee may extend the Initial Option Period (the "Extension Option") for an additional term of five (5) years (the "Extension Period"). The Extension Period shall commence upon expiration of the Initial Option Period and shall expire upon the first to occur of (i) 11:59 p.m. on the day preceding the fifteenth anniversary of the date hereof or (ii) six (6) months after the date on which Optionee receives notice from the Trustee of the occurrence

of any of the events listed in paragraphs 1.4.1, 1.4.2 or 1.4.3. Optionee's right to exercise the Extension Option shall be subject to each of the following conditions precedent:

1.5.1 The Initial Option Period shall not have expired pursuant to paragraph 1.4 (in which event Optionee shall not have the right to extend the Initial Option Period).

1.5.2 This Agreement is in full force and effect at the time the Extension Option is exercised.

1.5.3 Optionee shall not be in default hereunder, after expiration of any applicable notice and cure periods, either on the day Optionee shall give notice to Trustee of its election to exercise the Extension Option or on the day immediately preceding the first day of the Extension Period.

1.5.4 Optionee shall have given Trustee notice of Optionee's election to exercise the Extension Option by no later than ninety (90) days prior to expiration of the Initial Option Period.

1.5.5 Simultaneously with Optionee's delivery of the notice of exercise of the Extension Option, Optionee shall pay to Trustee, without any offset, counter-claim or reduction, as consideration for granting of the Extension Option, Fifty Thousand Dollars (\$50,000) (the "Extension Price"), by plain check of Optionee, subject to collection, or by official bank check, payable to the order of Trustee. The Extension Price shall not be refundable to Optionee under any circumstances. In the event that the Optionee's check is dishonored, the Optionee shall have ten

(10) days after written notice of such dishonor to cure, and upon the failure to cure, the Extension Period shall immediately terminate without further notice.

1.6 Exercising the Option

1.6.1 Optionee may exercise the Option by giving Trustee written notice (the "Exercise Notice"), at any time during the Initial Option Period, or Extension Period, if applicable. The Exercise Notice shall specify a Closing Date (as hereinafter defined).

1.6.2 Optionee may elect, by prior notice to Trustee, to purchase only a portion of the Property, provided that: (i) there shall be no reduction in any of the monies payable by Optionee hereunder, including, without limitation, the Exercise Price; (ii) closing apportionments only shall be reduced pro-rata, on the basis of square footage of land; (iii) the portion of the Property retained by Trustee has not less than fifty (50) feet of continuous frontage on a public roadway or have such frontage on a public roadway reasonably acceptable to Trustee or his successor-in-interest; (iv) such partial conveyance by Trustee shall be in compliance with all applicable laws and regulations, including, without limitation, laws and regulations affecting subdivision of property; (v) Trustee shall not have any additional costs or obligations (such as compliance with subdivision laws) or reasonably require any easements as a result of the foregoing, unless Optionee agrees to pay such costs and/or comply with such obligations or grant such easements, as the case may be, in a manner reasonably satisfactory to Trustee; and (vi) the portion of the Property not purchased by Optionee shall be at least five (5) contiguous acres or shall be of an acreage and configuration reasonably acceptable to Trustee or his successor-in-interest. If Optionee exercises the election set forth in this paragraph, then upon closing thereof, this Option shall be deemed terminated with respect to the remainder of the

Property.

1.7 Exercise Price

In the event Optionee exercises the Option, the purchase price payable to Trustee for the Property shall be Four Hundred Thousand Dollars (\$400,000) (the "Exercise Price") payable by certified check of Optionee, or official bank check payable to the order of Trustee.

1.8 Time of the Essence; Optionee's Right to Terminate At Any Time

In the event Optionee fails to timely pay any portion of the First Option Deposit, the Second Option Deposit or the Exercise Price or to timely exercise the Option as provided herein, this Agreement shall automatically terminate. In the event of such termination, or if Optionee, by notice given to Trustee at any time during the term of this Agreement, elects to terminate this Agreement (or if this Agreement is terminated by Trustee or automatically terminates as a result of Optionee's default hereunder), except as otherwise provided in paragraphs 1.2.3, 3.2 and 10.1 herein all payments made by Optionee to Trustee prior to such termination, together with accrued interest, if any, shall be retained by Trustee as liquidated damages for all loss, damage and expense suffered by Trustee, including without limitation the loss of its bargain, and neither party hereto shall have any further right or obligation to the other, except that the provisions of paragraphs 1.9.1, 5.1.1, 5.1.2, 6.3 and 20.7 hereof shall survive such termination.

1.9 Release of Environmental Claims

1.9.1 Optionee, Trustee and FSLA, by signing this Agreement, each hereby releases and discharges the other two parties and their officers, directors, shareholders, employees, attorneys, affiliates and agents from and against any and all liability relating to or arising from the environmental condition of the Property (collective-

ly, "Environmental Claims") as of the date of this Agreement including, without limitation, any claims made pursuant to 42 U.S.C. §9601 et seq. and any claims made for contribution, indemnity and reimbursement. The release and discharge set forth in this paragraph 1.9.1 is not intended to release and/or discharge and/or benefit any other persons or entities, including without limitation Publicker Industries, Inc. ("Publicker"). Trustee shall not release or discharge Publicker, after the date of this Agreement, from any Environmental Claims (except in connection with the Bankruptcy Court Order and Right of Access set forth in paragraph 1.9.2). The provisions of this paragraph shall survive Closing (as hereinafter defined) or termination of this Agreement.

1.9.2 Optionee acknowledges a Bankruptcy Court Order dated July 23, 1987, pursuant to which Publicker may have a "Right of Access" to Property as set forth therein and that Publicker shall not be deemed the agent of Trustee or FSLA with respect to such Right of Access. Such Right of Access shall not be deemed a title defect and shall not be deemed a default in Trustee's delivery of vacant possession to Optionee for purposes of this Agreement.

2. The Closing

2.1 In the event Optionee exercises the Option pursuant to giving the Exercise Notice, the Property shall be transferred and conveyed by Trustee to Optionee on the date (the "Closing Date") designated by Optionee in the Exercise Notice, which date shall be a day not less than 30 days following the date on which Optionee gives the Exercise Notice to Trustee.

2.2 The closing ("Closing") shall be held in the office of Optionee's counsel, Wolf, Block, Schorr and Solis-Cohen, Twelfth Floor, Packard Building, S.E. corner

15th and Chestnut Streets, Philadelphia, PA or at such other mutually convenient location within the City of Philadelphia as may be agreed by the parties hereto.

2.3 Time shall be of the essence of the Closing Date, except that either party, by prior notice to the other, shall be entitled to an adjournment of no more than five (5) business days if such adjournment is necessitated by illness or other personal circumstances of any representative of Trustee or Optionee who has been designated to attend the Closing. In addition, adjournments shall be permitted in accordance with the provisions of paragraphs 2.5 and 4.2 herein.

2.4 If the Property shall be subject at the time of Closing to any liens or encumbrances, the removal or satisfaction of which prior to Closing are Trustee's responsibility hereunder, then (unless Optionee has agreed to accept an offset against the Exercise Price on account of any such items), provided a request is made to the Trustee within a reasonable time prior to the Closing Date, Optionee agrees to provide at the Closing separate certified or official bank checks, as requested, aggregating the amount of the cash to be paid to Trustee at that date, to facilitate the satisfaction of any of such liens or encumbrances. In addition, Trustee shall have the right at Closing to reasonably request that Optionee's title insurer escrow up to \$100,000 of the closing proceeds, as reasonably necessary in order to enable such insurer to omit liens and encumbrances referred to in this paragraph from Optionee's title policy.

2.5 Optionee shall cause a copy of its title report to be forwarded to Trustee's attorney promptly after Optionee's delivery of the Exercise Notice and shall notify Trustee, at least thirty (30) days prior to the Closing Date, of any defects in or objections to title noted in such title report. If Optionee gives Trustee such advance notice,

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Trustee shall not be entitled to any adjournments of the Closing Date to remove such defects in or objections to title. If Optionee fails to give Trustee such advance notice of title defects or objections, Trustee shall be permitted reasonable adjournments of the Closing Date, not to exceed an aggregate of thirty (30) days, to remove such defects or objections. If Optionee shall give Trustee such advance notice, and defects or objections which were recorded after the date of the aforesaid title report, are disclosed at Closing, Trustee shall be permitted an adjournment of no more than five (5) business days to remove such defects or objections.

2.6 The acceptance of the Deed by Optionee shall be deemed to be full performance of, and discharge of, every agreement and obligation on Trustee's part to be performed hereunder, except for those which this Agreement specifically provides shall survive the Closing.

3. Permitted Encumbrances; Other Matters Omitted by Optionee's Title Insurer

3.1 Trustee shall convey, upon closing of the Option, and Optionee shall accept the Property, without any warranties by Trustee, except a warranty as set forth in the Deed (hereinafter defined), provided that such conveyance is sufficient to convey good, marketable title in fee simple absolute in and to the Property, in accordance with the terms of this Agreement, and title to the Land shall be insurable as such, without special premium, by Industrial Valley Title Insurance Company, Lawyers Title Insurance Company or any other reputable title insurer (individually and collectively, "Optionee's title company"), reasonably approved by Optionee, subject only to: (a) the matters set forth in Schedule B annexed hereto (collectively, "Permitted Encumbrances"), and (b) such other matters as Optionee's title company or any other reputable title insurer shall be willing, without special premium, to omit as exceptions to coverage (including without limitation those matters which would be omitted upon

Trustee providing to such title company affidavits or other evidence, indemnities or escrows, which Trustee is able and willing to provide) or to except with insurance against collection out of or enforcement against the Land, provided that such insurance shall not cover such liens or claims exceeding \$100,000 in the aggregate without Optionee's prior written consent.

3.2 If, at any time prior to the payment of the Second Option Deposit, Trustee's title to the Property shall be subject to any liens or encumbrances other than the Permitted Encumbrances and other than matters referred to in clause 3.1(b) above (collectively, the "Second Option Deposit Liens"), and shall not then be good and marketable in fee simple, and insurable as such by Optionee's title company, then Optionee may, upon notice to Trustee given prior to payment of the Second Option Deposit, and as Optionee's sole and exclusive remedy with respect to the Second Option Deposit Liens, terminate this Agreement, in which event the sums previously paid by Optionee in consideration of the Option, together with accrued interest if any, shall be promptly returned to Optionee and this Agreement shall become void and of no future force or effect, and no party shall have any right or obligation to the other hereunder or by reason hereof, except that the provision of paragraphs 1.9.1, 5.1.1, 5.1.2., 6.3 and 20.7 hereof shall survive such termination.

3.3 If, at any time after the payment of the Second Option Deposit, Trustee's title to the Property shall be subject to any liens or encumbrances other than the Permitted Encumbrances and other than the Second Option Deposit Liens, and shall not then be good and marketable in fee simple, and insurable as such by Optionee's title company, then Trustee shall have breached the Agreement, and the Optionee's remedies shall be limited in accordance with Article 22.

4. Personal Property Exclusion; Right to Rent

4.1 At all times prior to the first anniversary of the date hereof, Trustee shall have the right to remove from the Property and exclude from the sale contemplated by this Agreement any or all of the items of Personalty set forth in Schedule C annexed hereto without entitling Optionee to an offset against the Exercise Price for such removal and exclusion. Any such items remaining on the Property after the first anniversary of the date hereof are included in the sale. Optionee may take an inventory of such remaining Personalty, subject to the terms and conditions of Optionee's access to the Property as set forth in Article 5, and Trustee and FSLA shall use all reasonable efforts to cooperate with Optionee in order to agree in writing with Optionee, if Optionee so requests, to the contents of such an inventory list.

4.2 Prior to the exercise of the Option, Trustee may lease, rent, license or otherwise permit the use and/or occupation (at Trustee's sole risk and expense and for Trustee's sole benefit, without apportioning any such income upon closing of the Option) of all or any portion of the Property to any person, on such terms and conditions as Trustee, at its sole discretion, shall be willing to accept, without entitling Optionee to an offset against the Option Price or Exercise Price or to any other credit in connection therewith; provided, however, that any such agreements shall terminate or expire on or before closing of title to the Property (if Optionee gives an Exercise Notice) and that possession of the Property shall be delivered vacant, and free and clear of all tenancies or other right to use or occupy (as provided in paragraph 9.1.4) other than Permitted Encumbrances. In the event an action for removal of a tenant or occupant is commenced and not completed, then notwithstanding paragraph 2.3 hereof, Optionee may grant Trustee a reasonable adjournment of the closing of the Option to effect

such removal. In lieu of such adjournment, Optionee may (i) deduct from the Exercise Price an amount reasonably anticipated to cover the cost of effecting such removal and pay such amount deducted in escrow pending the completion of such removal; or (ii) close the title, with Trustee continuing to be obligated after Closing, at his sole cost and expense, to effect removal of such tenant, which obligation shall survive Closing.

5. Access to the Property

5.1 At any time during the term of this Agreement, and after payment of the Second Option Deposit, Optionee, its attorneys, accountants, architects, engineers and other representatives shall, upon Optionee's reasonable request, be afforded access to the Premises and upon reasonable requests therefor, to all books, records and files relating thereto from time to time for the purposes of inspections, preparation of plans, taking of measurements, making of surveys, making of appraisals, conducting insurance inspections (including underwriting and claims adjustments), conducting environmental and engineering tests and analyses, taking test borings, and generally for the ascertainment of the condition of the Property; and there shall be furnished to Optionee all information concerning the Property in the possession of Trustee which Optionee, its attorneys, accountants, architects, engineers and other representatives shall reasonably request. Optionee, its attorneys, accountants and other representatives shall, at any time after effective payment of the First Option Deposit, be permitted to make any searches of governmental records as they reasonably deem necessary with respect to the Property; and Trustee agrees fully to cooperate with Optionee and to issue any consents or authorizations reasonably required therefor, provided that Trustee shall not be required to incur any

expense in connection therewith. Optionee's access shall be subject to any restrictions and limitations imposed thereon by the EPA and shall be conditional upon the following:

5.1.1 Such entry upon and activities on the Property shall be entirely at Optionee's own risk, and Optionee covenants and agrees to indemnify and hold Trustee and FSLA harmless from and against all losses, costs, expenses, claims, damages and liabilities that Trustee and FSLA may incur by reason of claims based upon or connected with any such entry upon and activities on the Property. Without limitation, Optionee shall promptly repair any damage caused by Optionee's activities and shall restore the Property to its condition prior to Optionee's entry thereon.

5.1.2 Optionee, upon Trustee's request, shall produce evidence, prior to Optionee's entry onto the Property, of, insurance policies in such amounts as may be reasonably determined by Trustee and FSLA as adequate for liability and workers' compensation and other risks that may arise from such entry upon and activities on the Property, and shall name Trustee, FSLA and any other parties designated by the Trustee, as additional named insureds. Such insurance shall not be cancellable unless at least thirty (30) days prior written notice has been given to Trustee and the FSLA. Optionee shall also, prior to Optionee's entry onto the Property, provide Trustee and FSLA with such indemnities and assurances as are reasonably requested by Trustee and FSLA in order to protect Trustee and FSLA from liabilities and risks which may arise from such entry. Trustee shall be solely entitled to the proceeds of any property and casualty insurance, if any, carried by Trustee with respect to the Property. Optionee shall be solely responsible, at its

discretion and at its sole cost and expense, for carrying, at any time during the term of this Agreement any property and casualty insurance it desires with respect to the Property.

5.1.3 Such access to the Property shall be with the prior notice to and the prior consent of Trustee, and Trustee may require as a precondition to its consent that its representatives accompany Optionee during such access to the Property.

5.2 It is acknowledged and agreed that unless and until the giving of an Exercise Notice by Optionee and closing of title to the Property pursuant to the Option, Optionee shall not have any possessory right in and to the Property, and Optionee will not be responsible for and will not have control or charge of the means, methods, techniques, sequences or procedures of any activities on or relating to the Property, or for safety precautions or programs in connection with the Property, including without limitation any environmental cleanup activities, and Optionee will not be responsible for or have control or charge over the acts or omissions of or any of Trustee's contractors, subcontractors, or their agents or employees, or any other parties claiming by or through Trustee (including FSLA or any other mortgagees or holders of any interest in the Property) or any other persons performing any work on the Property, including any environmental cleanup activities on or relating to the Property. It is further acknowledged and agreed that, until the giving of an Exercise Notice by Optionee and the closing of title pursuant to the Option, this Option Agreement is not intended to provide Optionee with any equitable title to or in the Property prior to delivery of the Exercise Notice, or to provide Optionee with any legal title to or in the Property until completion of the Closing pursuant to delivery of the Exercise Notice, or to impose upon Optionee any responsibility for the cost or performance of environmental

cleanup activities or to cause Optionee to be or become a "potentially responsible party" under applicable environmental laws with respect to the Property.

6. Representations and Warranties;
Condition of the Premises

6.1 Optionee acknowledges that neither Trustee nor any agent or representative or purported agent or representative of Trustee has made, and Trustee is not liable for or bound in any manner by, any express or implied warranties, guaranties, statements, inducements, representations or information pertaining to the Property, or any part thereof, the physical condition, environmental condition, income, expenses or operation thereof, the uses which can be made of the same or any other matter or thing with respect thereto. Without limiting the foregoing, Optionee acknowledges and agrees that Trustee is not liable for or bound by (and Optionee has not relied upon) any verbal or written statements, representations, real estate brokers' "set-ups" or any other information respecting the Property, furnished by Trustee or any broker, employee, agent, consultant or other person representing or purportedly representing Trustee.

6.2 Optionee further acknowledges and agrees that Optionee has communicated with representatives of the EPA and is aware that the EPA has entered onto the Property in order to assess environmental clean-up requirements and that the potential costs of the environmental clean-up of the Property may substantially exceed the total consideration paid or to be paid by Optionee to Trustee under this Agreement, that Optionee has received from Trustee a copy of environmental reports on the Property by Dames & Moore (dated May 30, 1986) and O.H. Materials (dated November 12, 1987) and that, except as expressly provided in this Agreement, Optionee is acquiring the Option and, if the Option is

exercised, will acquire the Property "As Is" and "Where Is", in its present condition, and subject to wear, tear, natural deterioration, and all hazards, vandalism, casualty or catastrophe.

6.3 Optionee and Trustee each represent and warrant to the other that, such party has not dealt with any broker, consultant, finder or like agent who might be entitled to a commission or compensation on account of introducing the parties, the negotiation or execution of this Agreement or the closing of the transactions contemplated herein. Optionee and Trustee hereby covenant and agree to indemnify and hold the other harmless from and against any and all losses, costs, expenses, claims, damages and liabilities arising from claims by any person for a brokerage commission or similar compensation based upon the indemnifying party's alleged actions or communications in connection with this Agreement; the agreement by Optionee and Trustee to so indemnify and hold harmless the other party shall survive the Closing or other expiration or termination of this Agreement.

7. Apportionments and Offsets to the Exercise Price: Right to Pay Real Estate Taxes

7.1 No apportionments shall be made at the time of payment of the Second Option Deposit, which deposit shall be payable in full in accordance with the terms of this Agreement.

7.2 The following apportionments and adjustments shall be made, upon closing of title to the Property, as of 11:59 P.M. of the day immediately preceding the Closing Date. All such apportionments and adjustments, if in favor of Optionee, shall be offset against the Exercise Price, provided that if such aggregate offsets exceed the Exercise Price, Optionee shall not in any event be entitled to any credits or refunds in addition to Optionee's offset against the Exercise Price:

7.2.1 Fifty (50%) percent of the transfer or conveyance taxes imposed upon closing of title to the Property.

7.2.2 Unpaid real estate taxes, assessments, and vault charges, if any, (collectively, "Real Estate Taxes") on the basis of the fiscal period for which assessed. If the Closing shall occur before a new tax rate is fixed, the apportionment of taxes at the Closing shall be upon the basis of the old tax rate for the preceding period applied to latest assessed valuation. Promptly after the new tax rate is fixed, the apportionment of taxes shall be recomputed. Any discrepancy resulting from such recomputation and any errors or omissions in computing apportionments at Closing shall be promptly corrected, which obligations shall survive the Closing.

7.2.3 Real Estate Taxes paid by Optionee and pertaining to the period prior to payment of the Second Option Deposit and apportioned to such date.

7.2.4 Water and sewer charges outstanding as of the date of payment of the Second Option Deposit, together with unpaid water and sewer charges accruing thereafter and resulting from water leaks or similar accidental loss of water. If there is a water meter on the Property, apportionment at the Closing shall be based on the last available reading, subject to adjustment after Closing.

7.2.5 The costs of effecting removal of a tenant, as set forth in paragraph 4.2 herein.

7.3 Optionee shall have a right to challenge, at its own expense, and upon prior notice to Trustee, any assessment or amount of Real Estate Taxes. In the event Optionee obtains a reduction in the Real Estate Taxes which would otherwise have been a credit against the Exercise Price or an apportionment at Closing, such credits and apportionment shall be based upon the face amount of Real Estate

Taxes, as if no such reduction had been obtained, and the apportionments set forth in this Article 7 shall not be affected by such reduction.

7.4 Optionee shall have the right, at any time after the date hereof, in its sole discretion but without obligation, to pay Real Estate Taxes and water and sewer liens and other assessments ("Sewer Liens") if in Optionee's discretion such payment is necessary or desirable to protect or preserve the Option. Any such payments which relate to the period prior to payment of the Second Option Deposit may be offset against the Exercise Price, as set forth in paragraph 7.2.3. Any such payments which relate to the period after payment of the Second Option Deposit shall be at Optionee's sole cost and expense. Optionee shall give Trustee at least fifteen (15) days notice of such payment and, unless Trustee has notified Optionee, prior to expiration of said fifteen (15) day period, that Trustee intends to pay such Real Estate Taxes or Sewer Liens, Optionee may pay same provided Trustee is concurrently provided with a copy of the transmittal letter enclosing such payment. Optionee shall have a lien on the Land, pari passu with all other real estate liens on the Land, to the extent of any Real Estate Taxes or Sewer Liens actually paid by Optionee. It is the intention that such liens arise automatically, but upon Optionee's request therefor, Trustee agrees to execute and deliver to Optionee any documents reasonably requested by Optionee to confirm such liens, provided that Optionee prepares such documents at its own expense.

7.5 Optionee acknowledges that, prior to closing of title to the Property, Trustee shall have sole and complete discretion with respect to all matters relating to management and operation of the Property, including without

limitation any election in Trustee's sole discretion, not to manage or operate the Property.

7.6 Notwithstanding anything to the contrary herein, each of the Trustee and FSLA agree to indemnify and hold Optionee harmless from any claims, demands, damages, actions and liabilities made against or incurred by Optionee as a result of any act committed by the indemnifying party during its entry onto the Property during the term of this Agreement.

8. Conditions of Closing

8.1 The obligation of Trustee to close title in accordance with this Agreement is expressly conditioned upon Optionee having made all required payments and having complied with all of its non-monetary obligations under this Agreement, provided that with respect to non-monetary obligations, Optionee shall be given notice thereof on or before Closing of the Option and shall be given a reasonable opportunity to cure its failure to comply with such non-monetary obligations.

9. Closing Documents

9.1 In the event Optionee exercises the Option by giving the Exercise Notice to Trustee, Trustee shall deliver to Optionee at the Closing:

9.1.1 (i) a deed, substantially in accordance with the form annexed hereto as Schedule D, or such other form of deed as the Court Order shall direct (the "Deed") conveying the Land, subject only to the Permitted Encumbrances, and (ii) a quit claim deed as to the perimeter description more particularly set forth in Schedule A-2 annexed hereto; both in proper statutory form for recording.

9.1.2 Upon request of Optionee, a Bill of Sale with covenants against seller's acts (or as the Court Order shall otherwise direct), conveying to Optionee all of Trustee's right, title and interest, if any, in and to all Personalty.

9.1.3 An assignment of all of Trustee's claims for relief and causes of action, if any, against any person (including without limitation Publicker) under any contract, agreement or applicable environmental law or with respect to the environmental condition of the Property, except for any such claims and causes of action of Trustee against FSLA (Optionee acknowledges that Trustee has made no representation about the existence or validity of any claims assignable pursuant to this paragraph 9.1.3).

9.1.4 Actual possession of the Property, vacant and free of any tenancies or any other rights to use or occupy any portion of the Property (except any such rights relating to the Permitted Encumbrances).

9.2 Optionee and Trustee shall execute, acknowledge and deliver to each other such other instruments and documents, if any, to which either party may be entitled pursuant to any of the other provisions of this Agreement.

9.3 Optionee agrees to pay at or subsequent to the Closing, provided that the Option is exercised and the Closing is completed, all sales taxes which may become due and payable in connection with the sale hereunder of any Personalty, and indemnifies, defends and holds harmless Trustee, from all losses, costs, expenses, claims, damages and liabilities, including attorneys' fees, for such sales taxes, whether asserted before or after the Closing. This provision shall survive the Closing.

10. Condemnation -

10.1 If, at any time prior to the payment of the Second Option Deposit, all or a material part of the Land, Improvements and/or Personalty shall be taken in the exercise of the power of eminent domain by any governmental authority (collectively, a "Taking") without fault of Optionee, then Optionee may, upon notice to Trustee,

terminate this Agreement, in which event the sums previously paid by Optionee in consideration of the Option, together with accrued interest if any, shall be promptly returned to Optionee and this Agreement shall become void and of no further force or effect, and no party shall have any right or obligation to the other hereunder or by reason hereof, except that the provisions of paragraphs 1.9.1, 5.1.1, 5.1.2, 6.3 and 20.7 hereof shall survive such termination.

10.2 Upon the payment in full of the Second Option Deposit, Optionee may not terminate this Agreement by reason of a Taking; provided, however, that in the event of a Taking of all of the Property, after payment of the Second Option Deposit and prior to Closing, Trustee shall not without the consent of Optionee enter into any agreement concerning any condemnation award to which Trustee may be entitled as a consequence of such taking, and shall assign to Optionee at Closing all of Trustee's right, title and interest to any such award. In addition to Optionee's other rights hereunder, in the event of a partial Taking, after payment of the Second Option Deposit and prior to Closing, Optionee may exercise its Option with respect to the portion of the Property so taken (with a pro rata adjustment, on the basis of square-footage of land, in the Exercise Price and apportionments) upon notice to Trustee given within sixty (60) days of Optionee's receipt of notice of the partial Taking, and the Option shall remain in effect (with pro rata adjustments, on the basis of square-footage of land), with respect to the remainder of the Property. If Optionee exercises its Option with respect to the portion of the Property taken, Trustee shall not without the consent of Optionee enter into any agreement concerning any condemnation award to which Trustee may be entitled as a consequence of such taking, and shall assign to Optionee at Closing all of Trustee's right, title and interest to any such award.

11. Fees and Disbursements of Counsel, etc.

Each of the parties hereto shall bear and pay the fees and disbursements of its own counsel, accountants and other advisors in connection with the negotiation and preparation of this Agreement and the Closing. Optionee shall bear and pay the cost of recording the Deed and other documents to be delivered hereunder, subject to agreed apportionments of transfer and conveyance taxes. The provisions of this Article 11 shall survive the Closing.

12. Notices

As used in this Agreement, notice shall mean any notice, demand, request, consent, approval or other communication required or permitted to be given hereunder or which is given with respect to this Agreement, and, except as otherwise provided in this Agreement, all notices shall be in writing and shall be sent by registered or certified mail, return receipt requested, postage pre-paid, addressed to the party to be notified at the address set forth below or to such other address as such party shall have specified most recently by like Notice. Notices given to Trustee or to Escrow Agent (hereinafter defined) shall be sent to:

Chester B. Salomon, Esq.
Salomon Green & Ostrow, P.C.
919 Third Avenue
New York, New York 10022

With a copy to:

Gary A. Goodman, Esq.
LeBoeuf, Lamb, Leiby & MacRae
520 Madison Avenue
New York, New York 10022

Notices given to Optionee shall be sent to:

Delaware Avenue Enterprises, Inc.
c/o Joseph S. Finkelstein, Esq.
Wolf, Block, Schorr & Solis-Cohen
Twelfth Floor Packard Building
S.E. Corner 15th and Chestnut Streets
Philadelphia, Pennsylvania 19102-2678

At the same time any Notice is given by either Trustee or Optionee to the other, copies shall be sent to:

Freedom Savings and Loan Association
2002 North Lois Street
Tampa, Florida 33630
Attention: Robert A. Gellman,
Vice President

With a copy to: Giles, Hedrick & Robinson
390 North Orange Street
Suite 800
Orlando, Florida 32801
Attention: Harlan Tuck, Esq.

With a copy to: Carter, Ledyard & Milburn
2 Wall Street
New York, N.Y. 10005
Attention: James Gadsden, Esq.

Notice given as provided above shall be deemed duly given on the date so mailed.

13. Counterparts; Captions

This Agreement and all instruments and documents to be delivered hereunder may be executed in counterparts, each of which shall be deemed an original. The captions in this Agreement are for convenience of reference only.

14. Entire Agreement

This Agreement (including all exhibits annexed hereto) contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior understandings, if any, with respect thereto. This Agreement may not be modified, changed or supplemented, nor may any obligations hereunder be waived, except by written instrument signed by the party to be charged. The parties do not intend to confer any benefit hereunder on any person, firm or corporation other than the parties hereto. The provisions of this Article 14 shall survive the Closing.

15. Waivers; Extensions

No waiver of any breach of any agreement or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other agreement or provision herein contained. No extension of time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other obligations or acts.

16. Assignment

Optionee's interest under this Agreement may be assigned, at any time after effective payment of the First Option Deposit, without Trustee's prior written consent. Such assignment shall not become effective until (i) notice of assignment, including identity of the assignee and an address for notices to the assignee, has been provided to Trustee and (ii) the assignee has delivered to Trustee a signed assumption of the terms of this Agreement and any related agreements entered into by Optionee. Prior to the Closing of title pursuant to Article 2 of this Agreement, unless Trustee agrees in writing, such assignment shall not affect the duties and liabilities of Optionee. Following Closing, in the event of such assignment, Optionee shall have no further rights, liabilities, or obligations under this Agreement, except for the provisions of paragraphs 1.9.1, 5.1.1, 5.1.2, 6.3 and 7.4, which shall survive such assignment.

17. Pronouns

All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the parties may require.

18. Memorandum of this Agreement

Simultaneously with the execution and delivery hereof, Trustee and Optionee are executing, acknowledging and delivering to each other a recordable memorandum of this

Agreement in the form attached hereto as Schedule E (the "Memorandum"). Optionee may, at its option, at any time after payment of the Second Option Deposit, cause this Agreement or, at Optionee's election, the Memorandum to be recorded in the Department of Records, in and for the City of Philadelphia, Commonwealth of Pennsylvania. In addition, either Trustee or Optionee, if reasonably requested by the other, shall execute supplemental agreements in recordable form in order to give further effect to the Court Order. In the event that the Option is not exercised for any reason whatsoever during the Initial Option Period or, if applicable, the Extension Period, or this Agreement otherwise terminates, Optionee shall, upon request of Trustee, promptly provide to Trustee a termination, in recordable form, of this Option Agreement. The foregoing obligation shall be a continuing obligation, binding upon Optionee and all assignees from time to time.

19. Notice of Termination of this Agreement

Simultaneously with the execution and delivery hereof, and without limiting the obligations of Optionee and its assignees as provided in Article 18 above, Trustee and Optionee are executing, acknowledging and delivering to the Escrow Agent (as defined in Article 20 hereof) notices of termination (the "Notice of Termination") of this Agreement in the form attached hereto as Schedule F and hereby made a part hereof. Such Notice of Termination shall not be effective for any purpose unless and until it is released from escrow pursuant to Article 20.

20. Escrow Agent

20.1 The Notice of Termination shall be held in escrow by Trustee's attorneys, Salomon Green & Ostrow, P.C. ("Escrow Agent"), until the earlier of (a) the closing of title to the Property, pursuant to exercise of the Option, whereupon the Notice of Termination shall be delivered to Optionee for destruction; (b) seven business days after

Optionee shall have received Notice from Escrow Agent stating that Escrow Agent has received notice from Trustee asserting that this Agreement has been terminated, or has expired without exercise and closing of the Option, and that Trustee is entitled to the Notice of Termination, following which period Escrow Agent shall enter the date on which such Notice was given on the Notice of Termination in the space therein provided, thereby designating such date to be the Effective Date, and the Notice of Termination shall then be released to Trustee, provided that within such seven-day period Escrow Agent does not receive either a Notice from Optionee stating that this Agreement has not expired or has not been terminated or court order restraining the release of the Notice of Termination or (c) joint Notice, executed by Trustee and Optionee, is received by Escrow Agent, in which event Escrow Agent shall release the Notice of Termination in accordance with the instructions therein contained.

20.2 In the event Escrow Agent shall receive Notice from Trustee that this Agreement has been terminated and, within seven business days after Optionee receives notice from Escrow Agent of Escrow Agent's receipt of Trustee's notice, Optionee delivers Notice to Escrow Agent to the contrary or a court order restrains the release of the Notice of Termination, Escrow Agent shall be entitled, (i) at its option, to refuse to release the Notice of Termination to Trustee, until such time as the issue of the termination of this Agreement shall have been finally adjudicated in a court assuming and having jurisdiction of the Property (which, if the Bankruptcy Court no longer has jurisdiction, may at Optionee's election be adjudicated in a federal or state Pennsylvania court having jurisdiction) or Escrow Agent receives Notice of both Trustee and Optionee as provided in subparagraph (c) of paragraph 20.1 hereof, or (ii) at its option, to deliver the Notice of Termination to the court issuing such order, if the rules of such court so

permit, and request such court to resolve any dispute between Trustee and Optionee concerning the Notice of Termination.

20.3 The First Option Deposit shall be held in escrow by Escrow Agent in an interest-bearing account until the first to occur of: (a) seven business days after Escrow Agent shall have given notice to Optionee that Escrow Agent has received Notice given by Trustee to Escrow Agent, stating that the Court Order has been issued as provided in paragraph 1.2.3 hereof, upon which the Option Deposit, shall be paid to Trustee, (and all interest earned thereon shall be paid to Optionee) provided that within such seven-day period Escrow Agent does not receive Notice to the contrary from Optionee, (b) seven business days after Escrow Agent shall have given Notice to Trustee that Escrow Agent has received Notice given by Optionee to Escrow Agent, stating that this Agreement has been terminated by Optionee in accordance with its terms, upon which the Option Deposit and all interest earned thereon, if any, shall be paid to Optionee, provided that within such seven-day period Escrow Agent does not receive Notice to the contrary from Trustee, (c) seven business days after Escrow Agent shall have given Notice to Optionee that Escrow Agent has received Notice given by Trustee stating that this Agreement has been terminated by Trustee or that the Agreement has automatically terminated in accordance with its terms, upon which the Option Deposit and all interest earned thereon shall be paid to Optionee (unless such termination is due to Optionee's default hereunder), provided that within such seven-day period Escrow Agent does not receive Notice to the contrary from Optionee, or (d) joint Notice, executed by Trustee and Optionee, is received by Escrow Agent, in which event Escrow Agent shall release the Option Deposit and all interest earned thereon, if any, in accordance with the instructions therein contained. In the event of a dispute arising with respect to the rights of Trustee or Optionee to receive the

Deposit and/or any interest earned thereon, Escrow Agent shall have the right to pay the sum held in escrow into court pursuant to relevant statute and commence an action in interpleader in order to obtain a judicial determination as to the party legally entitled to receive the funds.

20.4 Escrow Agent's obligation hereunder shall be as a depository only and Escrow Agent shall not be responsible or liable in any manner whatever for the sufficiency, correctness, genuineness or validity of the Notice of Termination deposited with Escrow Agent, or for the form or execution of the Notice of Termination or for the identity, authority or rights of any person executing or depositing it.

20.5 Escrow Agent shall not be liable for any error in judgment or for any act done or omitted by it in good faith, or for any mistake of fact or law and is released and exculpated from all liability hereunder except for wilful misconduct or gross negligence.

20.6 Escrow Agent shall not be required to take notice of any default by Trustee or Optionee or to take any action with respect thereto except as provided in this paragraph 20 hereof.

20.7 Escrow Agent shall incur no liability in acting upon any signature, notice, request, waiver, consent, receipt, or other paper or document believed by Escrow Agent to be genuine and Escrow Agent may assume that any person purporting to give Escrow Agent any notice or advice in accordance with the provisions hereof has been duly authorized to do so, and Trustee and Optionee hereby jointly and severally indemnify, hold and save Escrow Agent harmless from and against any and all losses, costs, expenses, claims, damages and liabilities Escrow Agent may suffer or incur as Escrow Agent hereunder unless caused by Escrow Agent's wilful refusal or wilful failure to act pursuant to the terms hereof.

20.8 Escrow Agent shall not be under any

obligation to take any legal action in connection with this Agreement or towards its enforcement or to appear in, prosecute or defend any action or legal proceeding which, in the opinion of Escrow Agent, would or might involve Escrow Agent in any cost, expense, loss or liability unless, and as often as required by Escrow Agent, Escrow Agent shall be furnished with security and indemnity satisfactory to Escrow Agent against all such costs, expenses, losses or liability.

20.9 Escrow Agent shall be entitled to consult with other counsel in connection with its duties hereunder. Optionee and Trustee jointly and severally agree to reimburse Escrow Agent for its costs and expenses, including, without limitation, attorneys' fees (either paid to retained attorneys or representing the fair value of legal services rendered by Escrow Agent to itself) incurred as a result of any dispute or litigation concerning this escrow arrangement.

20.10 Escrow Agent has executed this Agreement solely to confirm that it is holding and will hold the Option Deposit and the Notice of Termination, in escrow, pursuant to the provisions of this paragraph and for no other purpose.

21. Successors and Assigns of Trustee and FSLA

This Agreement shall be binding upon, and shall inure to the benefit of, the successors and assigns of Trustee and Optionee and, to the extent that the FSLA is benefitted or burdened by paragraphs 1.9.1, 5.1.1, 5.1.2 and 7.6 of this Agreement, Freedom Savings and Loan Association, a stock savings and loan association chartered under the laws of the State of Florida ("Old Freedom"), its predecessor in interest as mortgagee, the Federal Home Loan Bank Board, the Federal Savings and Loan Insurance Corporation, individually and as Receiver for Old Freedom, and the successors and assigns of the FSLA and Old Freedom, which shall not be entitled to the benefits of this Agreement until the

conditions to the joinder by FSLA in this Agreement are met and the Trustee and Optionee has received notice thereof.

22. Limitation of Optionee's Remedies in the Event of Trustee's Breach

22.1 Except as provided in paragraphs 22.2 and 22.3, in the event of a breach of this Agreement after payment of the Second Option Deposit by Trustee, Optionee's sole and exclusive remedy shall be to offset Optionee's damages caused by Trustee's breach against the Exercise Price.

22.2 In the event that at the time of the payment of the Second Option Deposit, the Property is subject to liens and encumbrances of the kind listed below, the Optionee shall have no remedy or recourse against Trustee:

22.2.1 public utility easement;

22.2.2 any lien, encumbrance or interest in the Property granted prior to the date of this Agreement, required by law to be recorded, and not recorded as of the date of this Agreement, except for the Permitted Encumbrances.

22.3 In the event Trustee, his successors, assigns, lessees, agents, licensees and contractors or any persons claiming a right through him, affirmatively and knowingly with intent to deprive Optionee of any economic benefit of this Agreement, breaches this Agreement, including without limitation creation of a lien or encumbrance other than a Permitted Encumbrance, then Optionee shall have all of its rights and remedies at law and in equity, including (i) an election to close the Option with a credit not to exceed the Exercise Price and/or (ii) the right to bring an action for damages, (which right shall survive Closing if Optionee elects to close the Option), which damages shall not exceed the aggregate of the First Option Deposit, the Second Option Deposit and all other out-of-pocket costs and expenses incurred by Optionee after the date hereof in connection with this Option Agreement and the subject matter thereof including without limitation reason-

able attorneys' fees.

22.4 The exceptions to paragraph 22.1 shall be narrowly construed.

22.5 Nothing in this Article 22 shall affect Optionee's right to terminate in accordance with paragraph 1.3.2 of this Agreement.

23. No Personal Liability

Trustee is entering into this Agreement strictly in his capacity as trustee of Debtor's Chapter 11 proceeding in the Bankruptcy Court. Under no circumstances shall Trustee be liable in his personal capacity for payment or performance of any of Trustee's obligations hereunder.

24. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

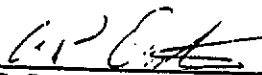
25. Notice of Material Events

Trustee agrees to give Optionee during the term of this Agreement prompt notice of material events affecting the Property, including without limitation litigation, liens and encumbrances, casualties and notices of violation of law of which Trustee becomes aware. Optionee in its sole election shall the right but not the obligation to take such steps at its own cost and expense as Optionee deems appropriate to protect Optionee's interest herein or in

the Property. Trustee agrees to cooperate with Optionee,
provided that Trustee shall not incur any costs or expenses
thereby.

IN WITNESS WHEREOF, the parties have duly executed
this Agreement as of the day and year first above written.

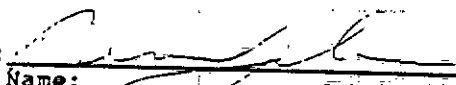
Trustee:



CHESTER B. SALOMON, as Chapter 11
trustee of Overland Corporation
by Allen P. Ostrow, as attorney-in-fact

Optionee:

DELAWARE AVENUE ENTERPRISES, INC.

By: 

Name:
Title:
Federal Tax I.D. Number:

Freedom Savings and Loan Association, by the signature of its duly authorized signing officers, joins in this Agreement, to the extent it is benefitted or burdened thereby, with respect to paragraphs 1.9.1, 5.1.1, 5.1.2, 7.6 and 21 of this Agreement, subject to approval of the FSLA Board of Directors, regulatory approval and the simultaneous or prior approval by the Bankruptcy Court of a separate agreement between FSLA and Trustee related generally to the subject matter of this Agreement (including distribution of any proceeds hereof).

FREEDOM SAVINGS AND LOAN ASSOCIATION

By: 

Name: MICHAEL D. MCPHERSON
Title: EXECUTIVE VICE PRESIDENT

The undersigned hereby acknowledges receipt of (i) Optionee's \$400,000 check payable to the order of Escrow Agent on account of the First Option Deposit and (ii) the Notice of Termination, and agrees to act as Escrow Agent pursuant to the provisions of Article 20 of the foregoing Agreement:

Escrow Agent:

SALOMON GREEN & OSTROW, P.C.

By: 

Alan P. Ostrow - CLARENCE B. SALOMON

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On the 7th day of JUNE, 1988, before me personally came ROBERT C. SALOMON, to me known and known to me to be the individual described in and who executed the foregoing instrument, as SECRETARY of Salomon, Green & Ostrow, P.C., the corporation described in, and which executed the above instrument as Escrow Agent and that he executed the same on behalf of Salomon, Green & Ostrow, P.C. pursuant to proper resolution of the Board of Directors of said Salomon, Green & Ostrow, P.C. and he acknowledged to me that he executed the same as such Escrow Agent.

CORA C. FOX
NOTARY PUBLIC, State of New York
No. 41-4621534
Qualified in Queens County
Commission Expires July 1, 1989

[Signature]
Notary Public

STATE OF Nebraska)
: ss.:
COUNTY OF Lincoln)

On this 3 day of JUNE, 1988, before me personally came CHARLES W. WYNN, to me known, who being duly sworn, did depose and say that he resides at 4030 16TH STREET, LINCOLN, NE, that he is the EXECUTIVE VICE PRESIDENT of Freedom Savings and Loan Association, the corporation described in, and which executed, the above instrument and that he executed the same on behalf of Freedom Savings and Loan Association pursuant to proper resolution of the Board of Directors of said Freedom Savings and Loan Association.

[Signature]
Notary Public

Notary Public, State of Nebraska
My commission expires December 30, 1990
BONDED thru LAWYERS SURETY

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.:

On the 27 day of May, 1988, before me personally came ALEC P. OSTROW, to me known and known to me to be the individual described in and who executed the foregoing instrument, as attorney-in-fact for CHESTER B. SALOMON, TRUSTEE in a Chapter 11 proceeding pending in the United States Bankruptcy Court for the Southern District of New York, and he acknowledged to me that he executed the same as such Trustee.

SUSAN D. CHOW
Notary Public, State of New York
No. 24-4882614
Qualified in Kings County
Commission Expires March 23, 2018

Susan D. Chow
Notary Public

STATE OF PENNSYLVANIA)
COUNTY OF PHILA) : ss.:

On this 7 day of May, 1988, before me personally came BERNARD GELLMAN, to me known, who being duly sworn, did depose and say that he resides at Independence Plaza, Tower 2, Philadelphia, Pa.; that he is the VISE - PRESIDENT of Delaware Avenue Enterprises, Inc., the corporation described in, and which executed, the above instrument and that he executed the same on behalf of Delaware Avenue Enterprises, Inc. pursuant to proper resolution of the Board of Directors of said Delaware Avenue Enterprises, Inc.

Notary Public

THOMAS A. MASTROMARCO, NOTARY PUBLIC
PHILADELPHIA, PHILADELPHIA COUNTY
MY COMMISSION EXPIRES APRIL 16, 1992
Member, Pennsylvania Association of Notaries

Schedule A-1
Legal Description

schedule c

RW/dc
Number 41-97-4256

DESCRIPTION AND RECITAL

All of the Following seven parcels of real estate, to wit:

ALL THOSE CERTAIN tracts of land with the buildings and improvements thereon erected.

SITUATE in the 39th Ward of the City of Philadelphia as follows:

PREMISES "A"

BLOCK 2271 LOT 9

(1) THE FIRST THEREOF BEGINNING at the intersection of the middle line of Bigler Street and the East side of Delaware Avenue (250 feet wide); thence extending South 75 degrees 30 minutes East along the middle line of Bigler Street 1,262 feet 4-1/2 inches to the Bulkhead line in the Delaware River established by the War Department August 9th, 1909; thence extending along said Bulkhead line South 11 degrees 37 minutes 24.38 seconds West 250 feet 2 inches; thence extending North 75 degrees 28 minutes West 1,274 feet 11-1/8 inches to the East side of Delaware Avenue aforesaid; thence extending along the East side of Delaware Avenue North 14 degrees 30 minutes East 249 feet 1-3/8 inches to the middle line of Bigler Street aforesaid and place of beginning.

PREMISES "B"

BLOCK 2271 LOT 10

(2) THE SECOND THEREOF BEING all that tract of land with the buildings and improvements thereon erected lying between the aforesaid Bulkhead line in the Delaware River established by the War Department August 9th, 1909 and the Bulkhead or Arbitrary Low-water line established by the Board of Port Wardens on November 12th, 1866 described as follows to wit:

BEGINNING at the intersection of the middle line of said Bigler Street and the Bulkhead Line in the Delaware River established by the War Department August 9th, 1909; thence extending along the middle line of said Bigler Street South 75 degrees 30 minutes East 184 feet 1-1/2 inches to a point; thence extending Northeast at right angles to the middle line of said Bigler Street 30 feet to a point; thence extending Southeast along a line parallel with the middle line of said Bigler Street 49 feet 4-5/8 inches to the Bulkhead Arbitrary Low-Water line established by the Board of Port Wardens on 11/12/1886; thence extending along said Bulkhead or Arbitrary Low-Water line Southwest 280 feet 5-7/8 inches to a point and thence extending North 75 degrees 28 minutes West 235 feet 6 inches to the said Bulkhead line established by the War Department on 8/9/1909 and thence extending along said Bulkhead line established by the War Department on 8/9/1909 North 11 degrees 37 minutes 24.38 seconds East 250 feet 2 inches to the middle line of said Bigler Street and place of beginning.

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schedule c continued

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PREMISES "C"

BLOCK 2271 LOT 11

(3) THE THIRD THEREOF BEGINNING at a point 30 feet Northwardly of the center line of Bigler Street (if extended to the Delaware River of the width of 60 feet) at the distance of 1,446 feet 6 inches Eastwardly from the West house line of Delaware Avenue (250 feet wide on City Plan and legally opened); thence extending Northwardly 10 feet more or less to a point; thence extending Eastwardly 46 feet 11 inches more or less to a point in the Bulkhead or Arbitrary Low-Water line established by the Board of Port Wardens 11/12/1866; thence Southwardly along said Bulkhead or Arbitrary Low-Water line 10 feet more or less to a point; thence Westwardly along a line parallel with the center line of Bigler Street 49 feet 4-5/8 inches or more or less to the first mentioned point and place of beginning.

PREMISES "D"

BLOCK 2271 LOT 12

(4) THE FOURTH THEREOF BEGINNING at a point on the West house line of the former Delaware Avenue (stricken from the City Plan) and the middle line of Bigler Street (if extended to the Delaware River of the width of 60 feet); thence extending Northwardly 180 feet to a point; thence Eastwardly 607 feet 11-3/4 inches to the Port Wardens Bulkhead or Arbitrary Low-Water line established by the Board of Port Wardens 11/12/1866; thence extending Southwardly along the said Low-Water line 140 feet 1-1/4 inches to a point; thence Westwardly 246 feet 11 inches to a point; thence Southwardly 40 feet to a point and thence Westwardly 363 feet 4 inches more or less to the first mentioned point and place of beginning.

PREMISES "E"

BLOCK 2271 LOT 13

(5) THE FIFTH THEREOF BEGINNING at a point 30 feet Northwardly of the center line of Bigler Street (if extended to the Delaware River of the width of 60 feet) at the distance of 363 feet 4 inches Eastwardly from the West house line of former Delaware Avenue (stricken from the City Plan); thence extending Eastwardly along a line parallel with the said center line of Bigler Street 200 feet to a point; thence extending Northwardly 10 feet to a point; thence extending Westwardly 200 feet to a point and thence extending Southwardly 10 feet to a point 30 feet Northwardly of the center line of Bigler Street said latter point being the first mentioned point and place of beginning.

PREMISES "F"

BLOCK 2271 LOT 14

(6) THE SIXTH THEREOF BEGINNING at a point in the middle line of Bigler Street at the distance of 1,246 feet 6 inches East of Delaware Avenue (250 feet wide); thence extending Northeastwardly on a line at right angles to the said Bigler Street 30 feet; thence extending Southeastwardly on a line parallel with the middle line of Bigler Street 200 feet to a point; thence ex-

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schedule c continued

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tending Southwestwardly on a line at right angles to said Bigler Street 30 feet to a point in the middle line of said Bigler Street; thence extending Northwestwardly along the said middle line of said Bigler Street 200 feet, to the first mentioned point and place of beginning.

PREMISES "G"

BLOCK 2271 LOT 1

(7) ALL THAT CERTAIN tract of land situate in the 39th Ward of the City of Philadelphia and Commonwealth of Pennsylvania, on the East side of Delaware Avenue (250 feet wide).

BEGINNING at the intersection of the East side of Delaware Avenue with the North side of Packer Avenue (148 feet wide); thence extending along the said East side of Delaware Avenue North 14 degrees 30 minutes East 596 feet 10 inches and 5/8ths of an inch to a corner of land of Publicker Commercial Alcohol Company, now known as Publicker Industries, Inc.; thence extending along said land South 75 degrees 28 minutes East 477 feet 1 inch and 3/4ths of an inch to a point; thence extending on a line parallel with the pierhead line established by the Secretary of War, 8/9/1909, South 13 degrees 52 minutes 52 seconds West 596 feet 7 inches and 3/4 of an inch to a point on the North side of Packer Avenue aforesaid; thence extending along said North side of Packer Avenue North 75 degrees 30 minutes West 483 feet 7 inches and 1/8 of an inch to the East side of Delaware Avenue the first mentioned point and place of beginning.

CONTAINING 6 acres and .5807 of an acre, as per survey by W.C. Reeder, Surveyor and Regulator, 2nd District, (Philadelphia) dated 8/1/1933.

PREMISES "H"

BLOCK 2273 LOT 44

ALL THAT CERTAIN tract, parcel or piece of land situated at the Southeasterly corner of Packer and Delaware Avenues in the 39th Ward, City of Philadelphia, Pennsylvania, bounded and described as follows:

BEGINNING at a point of intersection of the Southerly line of Packer Avenue (148 feet wide) and the Easterly line of Delaware Avenue (250 feet wide); thence extending South 75 degrees 30 minutes East 300.60 feet along the Southerly line of Packer Avenue to a point; thence leaving said Packer Avenue at right angles South 14 degrees 30 minutes West 551.10 feet to a point; thence North 75 degrees 30 minutes West 300.60 feet to a point on the Easterly line of Delaware Avenue; thence along the Easterly line of Delaware Avenue North 14 degrees 30 minutes East 551.10 feet to a point in the Southerly line of Packer Avenue and PLACE OF BEGINNING.

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CONTAINING 3.8030 acres as known on Plan by Over & Tingley, Civil Engineers, dated 6/28/1944. All Dimensions are U.S. Standard.

EXCEPTING AND RESERVING THEREFROM: the air rights over a portion therefrom conveyed to Delaware River Port Authority Deed of Publicker Industries, Inc., dated April 17, 1956 and recorded April 18, 1956 in Deed Book CAB 268 page 583.

ALL THOSE CERTAIN tracts of land, SITUATE in the 39th Ward of the City of Philadelphia and Commonwealth of Pennsylvania, on the East side of Delaware Avenue (250 feet wide).

PREMISES "I"

BLOCK 2271 LOT 6

(8) BEGINNING at a point on the Northerly side of Packer Avenue (legally but not physically open) at the distance of 483.59 feet East of Delaware Avenue (legally and physically open) and extending thence, first, North 13 degrees 52 minutes and 52 seconds East 39.66 feet to a point; second, South 75 degrees 30 minutes East 127.75 feet to a point; third, South 14 degrees 30 minutes West 39.66 feet to a point; fourth, North 75 degrees 30 minutes West 127.33 feet to the point and place of beginning.

CONTAINING 5,058 square feet, more or less; together with the Easterly 1/2 or portion of car warming building.

PREMISES "J"

BLOCK 2271 LOT 7

(9) BEGINNING at a point on the Northerly side of Packer Avenue (legally but not physically open) at the distance of 832.89 feet East of Delaware Avenue (legally and physically open) and extending thence; first, North 13 degrees 52 minutes 52 seconds East 544.11 feet to a point; second, North 75 degrees 28 minutes West 149.30 feet to a point; third, North 13 degrees 52 minutes 52 seconds East 52.32 feet to a point; fourth, South, 75 degrees 28 minutes East 797.78 feet to a point; fifth, South 11 degrees 37 minutes 24.38 seconds West, along the bulkhead line established by the War Department 8/9/1909, a distance of 596.90 feet to a point in the Northerly side of aforesaid Packer Avenue; and sixth, North 75 degrees, 30 minutes West 472 feet to the place of beginning.

CONTAINING 292.710 square feet, more or less; with any piers or other harbor structures extending therefrom into the Delaware River, and all riparian rights of the said Grantor as owner of the said land to the pierhead line now established or which may be established by the War Department and as

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far as shall, by right of law, extend into the tide-water of said River.

PREMISES "K"

BLOCK 2271 LOT 8

ALL THAT CERTAIN tract, piece of parcel of land, respectively, more particularly described as follows:

SITUATE in the 39th Ward of the City of Philadelphia, Commonwealth of Pennsylvania,

(10) BEGINNING at a point on the Northeast side of Packer Avenue (148 feet wide); which point of beginning is South 75 degrees 30 minutes East 611.184 feet from the intersection of the Northeast side of said Packer Avenue with the Southeast side of Delaware Avenue (250 feet wide); thence extending along a line at right angles to said Packer Avenue North 14 degrees 30 minutes West 39.74 feet; thence extending North 75 degrees 30 minutes West 128.01 feet; thence extending North 13 degrees 52 minutes 52 seconds East 505.67 feet; thence extending South 75 degrees 28 minutes East 350 feet; thence extending South 13 degrees 52 minutes 52 seconds West, 545.20 feet to a point on the Northeast side of Packer Avenue North 75 degrees 30 minutes West 222.41 feet to the first mentioned point and place of beginning, as shown on Plan of Property of Defense Plant Corporation, dated 2/6/1943, made by Over and Tingley, Civil Engineers.

ALL THOSE TWO CERTAIN Lots or pieces of ground,

SITUATE in the Thirty-ninth Ward of the City of Philadelphia, Commonwealth of Pennsylvania and described according to a Survey and Plan thereof made by Raymond C. Good, Surveyor and Regulator of the Second Survey District of said City of Philadelphia dated November 3, 1960, as follows:

PREMISES "L"

BLOCK 2273 LOT 25

THE FIRST THEREOF BEGINNING at a point in the Southerly side of Packer Avenue (One hundred Forty-eight feet (148') wide) and the Northeasterly line of a proposed Twenty-five feet (25') wide railroad siding right-of-way at the distance of Five hundred Fifty and Five hundred Eleven One-thousandths feet (550.511') Eastward from the point of intersection of the Easterly side of Delaware Avenue (Two hundred Fifty feet (250') wide) and the Southerly side of Packer Avenue; thence extending along the Southerly side of said Packer Avenue South Seventy-five degrees, Thirty minutes, East (S. 75° 30' E.) One hundred Fifty-seven

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and Three hundred Nine One-thousandths feet (157.309') to a point; thence extending South Fifty-nine degrees, Fifty-eight minutes, Thirty-three seconds East (S. 59° 58' 33" E.) One hundred Eighty-six and Eight hundred Fifteen One-thousandths feet (186.815') to a point; thence extending South Fourteen degrees, Thirty minutes West (S. 14° 30' W.) Forty-three and Ninety-one thousandths feet (43.090') to a point in a proposed Northerly line of the Delaware River Port Authority right-of-way; thence extending along the said proposed Authority right-of-way line North Seventy-two degrees, Twenty-eight minutes, Seven seconds West (N. 72° 28' 07" W.) Ninety-three and Nine hundred Sixty-three One-thousandths feet (93.963') to a point; thence extending along the said proposed Authority right-of-way line South Seventeen degrees, Thirty-one minutes, Fifty-three seconds West (S. 17° 31' 53" W.) Twenty-two and Four hundred Fifty-five One-thousandths feet (22.455') to a point; thence extending along the said proposed Authority right-of-way line North Seventy-two degrees, Twenty-eight minutes, Seven seconds West (N. 72° 28' 07" W.) One hundred Sixty-eight and Eight hundred Fifty-four One-thousandths feet (168.854') to a point in the Northeasterly line of said proposed railroad siding right-of-way; thence extending in a Northwesterly direction along the Northeasterly line of said proposed railroad siding right-of-way on an arc curving to the left having a radius of Three hundred Twelve and Five-tenths feet (312.5') and subtending a central angle of Twenty-three degrees, Ten minutes, Eleven seconds (23° 10' 11") an arc distance of One hundred Twenty-six and Three hundred Seventy-one One-thousandths feet (126.371') to the first mentioned point and place of beginning.

CONTAINING in area 0.57888 acres.

TOGETHER with the right and privilege in the said Grantee (running with the land and injuring to the said Grantee's successors and assigns) from time to time and at all times hereafter, forever, to install, maintain and operate any and all conduits and pipe lines, with all required appurtenances thereto, which may be necessary or appropriate in connection with the operation of any business or activities at any time or times hereafter conducted by any user of the land hereinabove described, crossing at least eighteen (18) feet above the surface and under the surface, but not on the surface of the following described adjoining land of the said Grantor, it being agreed that there shall be no conduits, pipe lines or structures of any nature, whatsoever constructed by reason of this easement on the surface of the ground or in the area between the surface and a distance of eighteen (18) feet above the surface of the ground lying between and separating the two lots of ground hereinabove described (forming an arc of approximately Twenty-five (25) feet in width extending in a Southeasterly direction from said Packer Avenue, constituting the proposed railroad siding

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right-of-way hereinabove mentioned), provided that any and all such installations permitted under this clause (b) shall be installed and maintained with such overhead clearances and at such depths as are customarily specified and required by railroads in such instances.

PREMISES "M"

BLOCK 2273 LOT 43

THE SECOND THEREOF BEGINNING at a point in the Southerly side of Packer Avenue (148 feet wide) at the distance of 330 feet Eastward from the point of intersection of the Easterly side of Delaware Avenue (250 feet wide) and the Southerly side of said Packer Avenue, and crossing the head of proposed 30 feet wide Delaware River Port Authority across road; thence extending along the Southerly side of said Packer Avenue South 75 degrees 30 minutes East 181.332 feet to a point in the Southwesterly line of a proposed 25 feet wide railroad siding right-of-way; thence extending in a Southeasterly direction along the Southwesterly line of said proposed railroad right-of-way an arc of a circle curving to the right, having a radius of 287.5 feet and subtending a central angle of 26 degrees, 19 minutes 32 seconds an arc distance of 132.097 feet to a point in the proposed Northerly line of the Delaware River Port Authority right-of-way; thence extending along the said proposed right-of-way line North 72 degrees 28 minutes 7 seconds West 266.103 feet to a point in the Easterly line of the said 30 feet wide proposed access Road; thence extending along the Easterly line of the said proposed access Road North 14 degrees 30 minutes East 86.036 feet to the first mentioned point and place of beginning.

CONTAINING in area .48596 acre.

EXCEPTING THEREOUT AND THEREFROM THE FOLLOWING THREE PARCELS:

(1) ALL that certain lot or piece of ground,

SITUATE in the 39th Ward of the City of Philadelphia, Commonwealth of Pennsylvania, described according to a lease plan prepared for Outdoor Advertising Company made by Barton and Martin engineers, Philadelphia, PA, dated 10/17/85 last revised 11/5/85 as follows:

(1) BEGINNING at an interior point located the following two courses and distances from the intersection of the Easterly side of Delaware Avenue (250 feet wide) with the Southerly side of Packer Avenue (148 feet wide):

1) S 75 degrees 30 minutes 00 seconds E.
along the Southerly side of Packer Avenue

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475.242 feet to a point;

2) leading said side of Packer Avenue on a line curving to the right parallel with and 32.500 feet distant from the centerline of a proposed Railroad Right-Of-Way having a radius of 267.500 feet and an arc distance of 18.912 feet to a point of beginning;

thence from said point of beginning continuing along said curve an arc distance of 95.534 feet to a point; thence extending S 17 degrees 31 minutes 53 seconds W 20.019 feet to a point; thence extending N 72 degrees 28 minutes 07 seconds W 31.746 feet to a point; thence extending S 17 degrees 31 minutes 53 seconds W 1.000 feet to a point; thence extending N 72 degrees 28 minutes 07 seconds W 39.156 feet to a point; thence extending N 17 degrees 31 minutes 53 seconds E 84.289 feet to the point and place of beginning.

CONTAINING 3971 square feet more or less.

UNDER AND SUBJECT to certain conditions as of record.

(2) ALL THAT CERTAIN lot or piece of ground, SITUATE in the 39th Ward of the City of Philadelphia, Commonwealth of Pennsylvania, described according to a Lease Plan prepared for Outdoor Advertising Company made by Barton & Martin Engineers, Philadelphia, PA dated 10/3/1984 and last revised 7/23/1985, as follows:

BEGINNING at a point on the Southwesterly side of Packer Avenue (148.00 feet wide) said point being measured South 75 degrees, 30 minutes 11 seconds East, 475.242 feet along the Southwesterly side of Packer Avenue from a point marking its intersection with the Southeasterly side of Delaware Avenue (250.00 feet wide); thence from said beginning point continuing along the Southwesterly side of Packer Avenue South 75 degrees, 30 minutes 00 seconds East, 36.00 feet to a point of curve; thence along the Southwesterly side of the proposed 25.00 feet wide railroad Right Of Way as shown on said Plan, on the arc of a circle curving to the right having a radius of 287.500 feet, the arc distance of 132.097 feet to a point; thence North 72 degrees 28 minutes 07 seconds West 70.00 feet to a point; thence North 17 degrees 31 minutes 53 seconds East 1.000 feet to a point; thence South 72 degrees 28 minutes 07 seconds East, 31.746

AR200179

schedule c continued

RW/dc
Number 41-97-4256

feet to a point; thence North 17 degrees, 31 minutes 53 seconds East 20.019 feet to a point of curve; thence on the arc of a circle curving to the left having a radius of 267.500 feet, the arc distance of 114.446 feet to the first mentioned point and place of beginning.

(3) ALL THAT CERTAIN lot of ground to wit:

SITUATE in the 39th Ward of the City of Philadelphia and described according to a Lease Plan made for Philadelphia Outdoor Advertising Company by Barton and Martin, Engineers dated October 3, 1984 and revised November 5, 1984, as follows, to wit:

BEGINNING at a point on the Southeasterly side of Delaware Avenue (250' wide) said point being 208.48' Southwestwardly from the intersection of the Southeasterly side of Delaware Avenue and the Southeasterly side of Packer Avenue (148' wide); thence from said point if beginning extending along the Southeasterly side of Delaware Avenue 135' 6-1/4" to a point; thence leaving said side of Delaware Avenue extending Southeastwardly on a line parallel with the Walt Whitman Bridge 30' 0" to a point; thence extending Northeastwardly on a line parallel with Delaware Avenue 30' 0" to a point; thence extending Northwestwardly on a line parallel with the Walt Whitman Bridge 29' 0" to a point; thence extending Northeastwardly on a line parallel with and 1' 0" distant to Delaware Avenue 75' 6-1/4" to a point; thence extending Southeastwardly on a line parallel with the Walt Whitman Bridge 34' 0" to a point; thence extending Northeastwardly on a line parallel with Delaware Avenue 30' 0" to a point; thence extending Northwestwardly on a line parallel with the Walt Whitman Bridge 35' 0" to the point and place of beginning.

BEING as to Premises "A" to "M" the same premises which Publicker Industries, Inc., (A Pa. Corp.) by Deed dated 3/31/1986 and recorded 4/3/1986 in the County of Philadelphia in Deed Book FHS 423 page 211 conveyed unto Overland Corporation, (A Pa. Corp.), in fee.

UNDER AND SUBJECT to certain Restrictions and Conditions and Reservations as of record.

85-29 Rev. 81

Schedule "c" consists of 9 page(s).

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Schedule A-2

Perimeter Description

In accordance with a plan of property prepared by Barton and Martin Engineers dated March 10, 1986 situate in the 39th Ward of the City of Philadelphia.

Beginning at the point of intersection of the Northerly side of Packer Avenue (148 feet wide) with the Easterly side of Delaware Avenue (250 feet wide); thence from said point of beginning extending along the said Easterly side of Delaware Avenue N 14° 30' 00" E 846.000 feet to a point in the center line of Bigler Street (60 feet wide, not legally opened); thence extending along said centerline of Bigler Street S 75° 30' 00" E 884.177 feet to a point; thence extending N 12° 14' 22" E 180.023 feet to a point; thence extending S 75° 30' 00" E 355.986 feet to a point on the bulkhead line established by the Secretary of War on September 10, 1940; thence extending along said bulkhead line S 01° 26' 33.9" W 113.426 feet to an angle point; thence still extending along said bulkhead line crossing Bigler Street S 11° 38' 16" W 916.533 feet to a point on the Northerly side of Packer Avenue; thence extending along said Northerly side of Packer Avenue N 75° 30' 00" W 1304.370 feet to the point and place of beginning.

Containing in area 26.45305 Acres.

LAND BETWEEN BULKHEAD AND PIERHEAD LINES

Beginning at an interior point on the bulkhead lines established by the Secretary of War on September 10, 1940, said point being located the following four (4) courses and distances from the intersection of the Northerly side of Packer Avenue (148 feet wide) with the Easterly side of Delaware Avenue (148 feet wide):

- 1) along said Easterly side of Delaware Avenue N 14° 30' 00" E 846.000 feet to a point on the centerline of Bigler Street (60 feet wide not legally opened);
- 2) along the centerline of Bigler Street S 75° 30' 00" E 884.117 feet to a point;
- 3) N 12° 14' 22" E 180.023 feet to a point;
- 4) S 75° 30' 00" E 355.896 feet to a point on the bulkhead line, the point of beginning;

Thence from said point of beginning extending S 75° 30' 00" E 469.565 to a point on the pierhead line established by the Secretary of War on September 10, 1940; thence extending along said pierhead line crossing the head of Bigler Street S 02° 30' 27.2" W 349.408 feet to an angle point; thence still extending along said pierhead line S 13° 53' 11.1" W 684.140 feet to a point on the Northerly side of Packer Avenue; thence extending along said Northerly side of Packer Avenue N 75° 30' 00" W 478.100 feet to a point on the bulkhead line; thence extending along said bulkhead line crossing Bigler Street N 11° 38' 16" E 916.533 feet to an angle point; thence still extending along said bulkhead line N 01° 26' 33.9" E 113.426 feet to the point and place of beginning.

Containing in area 11.48938 Acres.

SCHEDULE A-2

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Beginning at the point of intersection of the Easterly side of Delaware Avenue (250 feet wide) with the Southerly side of Packer Avenue (148 feet wide); thence from said point of beginning extending along said Southerly side of Packer Avenue S 75° 30' 00" E 300.000 feet to a point on the Westerly side of a 30 foot access road; thence along said Westerly side of said access road S 14° 30' 00" W 84.447 feet to a point on the Northerly right of way line for the Walt Whitman Bridge; thence along said Northerly right of way line N 72° 28' 07" W 300.420 feet to a point on the Easterly side of Delaware Avenue; thence along said Easterly side of Delaware Avenue N 14° 30' 00" E 68.560 feet to the point and place of beginning.

Containing in Area 22,951 square feet

Beginning at a point on the Easterly side of Delaware Avenue (250 feet wide) said point being measured along said side of Delaware Avenue S 14° 30' 00" W 344.018 feet from the Southerly side of Packer Avenue (148 feet wide); thence from said point of beginning extending S 72° 28' 07" E 30.000 feet to a point; thence extending N 14° 30' 00" E 30.000 feet to a point; thence extending N 72° 28' 07" W 29.000 feet to a point; thence extending N 14° 30' 00" E 75.542 feet to a point; thence extending S 72° 28' 07" E 34.000 feet to a point; thence extending N 14° 30' 00" E 30.000 feet to a point on the Southerly right of way line for the Walt Whitman Bridge; thence along said right of way line S 72° 28' 07" E 263.420 feet to a point; thence extending S 14° 30' 00" W 325.637 feet to a point; thence extending N 75° 30' 00" W 300.000 feet to a point in the Easterly side of Delaware Avenue; thence extending along said Easterly side of Delaware Avenue N 14° 30' 00" E 205.982 feet to the point and place of beginning.

Containing in area 2.25095 Acres.

Beginning at the point of intersection of the Easterly side of a 30 foot access road with the Southerly side of Packer Avenue (148 feet wide), said point being measured S 75° 30' 00" E 330.000 feet along said Southerly side of Packer Avenue from the Easterly side of Delaware Avenue (250 feet wide); thence from said point of beginning extending along said Southerly side of Packer Avenue S 75° 30' 00" E 145.242 feet to a point; thence extending on a line curving to the right having a radius of 267.500 feet, a central angle of 4° 03' 02.73" and an arc distance of 18.912 to a point; thence extending S 17° 31' 53" W 84.289 feet to a point on the Northerly right of way line for the Walt Whitman Bridge; thence extending along said right of way line N 72° 28' 07" W 156.947 feet to a point on the Easterly side of the aforesaid 30 foot access road; thence extending along said easterly side of the access road N 14° 30' 00" E 86.036 feet to the point and place of beginning.

Containing in area 14,289 square feet.

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Beginning at the point of intersection of the Southerly side of Packer Avenue with the Easterly side of a 25 foot railroad right of way, said point being measured along said Southerly side of Packer Avenue S 75° 30' 00" E 550.511 feet from the Easterly said of Delaware Avenue (250 feet wide); thence from said point of beginning extending along said Southerly side of Packer Avenue S 75° 30' 00" E 157.309 feet to a point; thence extending S 59° 58' 33" E 186.815 feet to a point; thence extending S 14° 30' 00" W 43.090 feet to a point in the Northerly right of way line for the Walt Whitman Bridge; thence extending the following three (3) courses and distances along said Northerly right of way line for the Walt Whitman Bridge:

- 1) N 72° 28' 07" W 93.963 feet to a point;
- 2) S 17° 31' 53" W 22.455 feet to a point;
- 3) N 72° 28' 07" W 168.854 feet to a point on the Easterly side of the aforesaid 25 foot railroad right of way;

thence extending along said Easterly side of the 25 foot railroad right of way on a line curving to the left having a radius of 312.500 feet, a central angle of 23° 10' 11" and an arc distance of 126.371 feet to the point and place of beginning.

Containing in area 25,215 square feet.

AR200184

Schedule B

Permitted Encumbrances

3.1 Liens, claims and encumbrances in favor of the United States Environmental Protection Agency or similar federal entity relating to the cost of remedial environmental cleanup of the Property (collectively, the "EPA Liens"); and all liens and encumbrances of record arising under any environmental law applicable to the property or arising from an improvement to the environmental condition of the Property, in favor of any state, county or local governmental agency or entity (collectively, the "Other Environmental Liens").

3.2 Water and sewer charges and rents caused by EPA access to, and entry upon, the Property; minimum monthly water and sewer charges or any other water and sewer charges which are assessed despite the absence of any water or sewer usage.

3.3 All present and future zoning and building laws, ordinances, codes, restrictions and regulations of the City of Philadelphia and all other governmental (including state and federal) authorities having jurisdiction, all zoning variances and special exceptions, if any, and all present or future violations thereof, if any.

3.4 Any state of facts a current land title survey of the Land, Improvements and Personality, or a physical inspection thereof, would disclose, provided that such facts do not render title unmarketable. For the purposes of this Option Agreement, none of the facts shown on the Survey and Plan of Property-Delaware and Packer Avenues-by William E. Barton and dated March 10, 1986 shall be deemed to render title unmarketable, and Optionee shall accept title subject thereto.

3.5 All presently existing rights, easements and agreements, whether or not of record, for the erection and/or maintenance of water, gas, electric, telephone, sewer or other public utility pipe lines, poles, wires, conduits or other like facilities, and appurtenances thereto, over, across and under the Land, Improvements and/or Personality.

3.6 Easement and Maintenance Agreement between Overland Corporation (A Pa. Corp.) and Publicker Industries Inc. (A Pa. Corp.) dated 3/31/1986 and recorded 4/3/1986 in Deed Book FHS 423 page 223. (PREMISES "A" TO "M")

3.7 Restrictions as in Deed Book JMH 3262 page 543. (PREMISES "A" TO "F")

3.8 Conditions as in Deed Book CAB 1526 page 495. (PREMISES "L")

3.9 Agreement between The City of Philadelphia and Publicker Industries Inc. as to Steam and Water pipe as in Deed Book CAD 1107 page 567. (PREMISES "H", "L" AND "M")

3.10 Reservation as in Deed Book CJP 3129 page 135. (PREMISES "I" AND "J")

3.11 Under and Subject to laws and regulations of the Federal and State Governments, their political subdivisions and agencies over portion of premises extending beyond low water mark of the Delaware River to regulate,

change, revise and relocate all lines or marks as well as exert governmental title and ownership vested in the State in area between original low water mark and present Pierhead Line and to the rights of the public between high and low water mark. (PREMISES "B", "C", "D", AND "E")

3.12 Agreement between The City of Philadelphia and Publicker Industries as to two fuel oil pipelines as in Deed Book EFP 248 page 120. (PREMISES "H")

3.13 Bigler Street on City Plan 60 feet wide no record of legal opening. (PREMISES "B", "C", "D", "E" AND "F")

3.14 Title to that portion of premises in bed of Bigler Street 60 feet wide is subject to public and private rights therein. (PREMISES "B", "C", "D", "E" AND "F")

3.15 Ground Lease from Publicker Industries Inc. and Keystone Outdoor Advertising Company, Inc. dated 10/9/1984 and recorded 11/1/1984 in Deed Book JAP 46 page 301 and re-recorded in Deed Book FHS 102 page 452. (PREMISES "B", "C", "D", "E", "F", "G", "I", "J" AND "K")

3.16 Ordinance to construct two pipelines as in Deed Book CAD880, page 361.

3.17 Conditions, reservations and easements as in Deed Book JMH, page 431.

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Schedule C

EXCLUDED PERSONALTY

- A. Ethylene Hydration and Stillhouse Areas
- B. 8,000 gallon horizontal carbon steel tank numbered F201, located in the ethylene hydration area
- C. 12,000 gallon horizontal carbon steel tank located in the still area
- D. 17,000 gallon fiberglass tank located near the main access road
- E. Two (2) 215,000 gallon tanks numbered 9490 and 9491
- F. Remaining sections of the stainless steel pipe coolers
- G. Heat exchanger located near the former Thermice office
- H. 1,700 sq. ft. heat exchanger near the storage area
- I. Small pump near the stillhouse area
- J. Three (3) rail cars, with identification numbers PUBX 153, 154 and 155.
- K. Graubard claim, to the extent established or compromised with Optionee's consent. The particulars of the claim are:

AAA Warehousing Inc. ("AAA") and Linfield Packaging, Inc., which is believed to be an affiliate of AAA have claimed, in papers filed with the United States Bankruptcy Court for the Southern District of New York, to be the owners of the following personal property located at the Publicker Site.

Railroad cars marked as follows:

PUBX 127	PUBX 206
PUBX 160	PUBX 207
PUBX 164	

Ethylene glycol located in various storage tanks

Ethylene glycol located in the pipeline leading to the pier

Six drums of ethylene glycol

Stainless Steel Tanks

2 @	1,000 gallons
3 @	2,700 gallons
1 @	4,400 gallons
1 @	5,000 gallons
2 @	6,700 gallons
1 @	19,500 gallons
1 @	20,000 gallons

Deionizer Unit - Includes:

- (A) piping
- (B) (1) 3,000 gallons HCL storage tank
- (C) (1) 1,000 gallons NAOH tank
- (D) (3) 2,500 ss tanks & pump

77f

Trailers - 2

Pumps - 14

Agitators - 5

- (1) 250,000 gallon sphere (no. 9438)
- (1) 109,000 gallon sphere w/agitator and pumps (2)
- (2) 150,000 gallon ss tanks

It is not known which of the stainless steel tanks, deionizer unit, trailers, pumps and agitators remain at the Publicker Site.

Schedule D

Form of Deed

THIS INDENTURE MADE THE _____ day of _____, 1988 Between CHESTER B. SALOMON, having an office at _____, as Trustee of the Estate (the "Estate") of OVERLAND CORPORATION, a Pennsylvania corporation in a Chapter 11 proceedings (Case No. 87B 10026 (PBA)) pending in the United States, Bankruptcy Court, Southern District of New York ("Trustee") and DELAWARE AVENUE ENTERPRISES, INC., a Pennsylvania corporation, having an office at _____ ("Optionee")

Now this Indenture witnesseth, that the said Trustee for and in consideration of the undertakings set forth in a certain Option Agreement dated as of May _____, 1988 (the "Agreement"), and the exercise of the option set forth in the Agreement well and truly performed by the said Optionee at and before the sealing and delivery hereof, the receipt whereof is hereby acknowledged, granted, bargained, sold, aliened, quit-claimed, released, and confirmed and by these presents, grants, bargains, sells, alienates, quit-claim, releases and confirms unto the said Optionee, all those parcels and tracts of land situate, lying and being in the City of Philadelphia, as more particularly described in Schedule "A" annexed hereto,

TOGETHER with all and singular ways, waters, water-courses, rights, liberties, privileges, hereditaments and appurtenances whatsoever thereunto belonging, or in any wise appertaining, and the reversions and remainders, rents, issues and profits thereof, and also, all the estate, right, title, interest, use, trust, property, possession, claim and demand whatsoever, in law, equity, or otherwise howsoever, of, in, to, or out of the same;

To have and to hold the said hereditaments and premises hereby granted and released, or mentioned and intended so to be, with the appurtenances, unto the said Optionee and assigns, to and for the only proper use and behoof of the said Optionee and assigns forever.

And the said Trustee covenants, promises and agrees, on behalf of the Estate and without any personal liability, to and with the said Optionee that the said Trustee and assigns have not affirmatively and knowingly, with intent to deprive Optionee of any economic benefit of this Indenture, done or committed, any act, matter or thing whatsoever, whereby the premises hereby granted, or any part thereof, is, are, shall, or may be impeached, charged or incumbered, in title, charge, estate, or otherwise howsoever.

Except as expressly provided herein, this Indenture is executed and delivered without representations and warranties of any nature and without personal recourse against Trustee in any event.

In Witness Whereof the said Trustee has hereunto set his hand and seal the day and year first above written.

CHESTER B. SALOMON, as
Chapter 11 Trustee of
Overland Corporation

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

On the ____ day of _____, 1988, before me personally came CHESTER B. SALOMON, to me known and known to me to be the individual described in and who executed the foregoing instrument, as Trustee of Overland Corporation, Debtor in a Chapter 11 proceeding pending in the United States Bankruptcy Court for the Southern District of New York, and he acknowledged to me that he executed the same as such Trustee.

Notary Public

Schedule E

MEMORANDUM OF OPTION AGREEMENT

THIS MEMORANDUM OF OPTION AGREEMENT is made this _____ day of _____, 1988, by and between CHESTER B. SALOMON, as Chapter 11 trustee (the "Trustee") of Overland Corporation, a Pennsylvania corporation, the debtor in a case pending in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") (Case No. 87B10026(PBA)) _____, and DELAWARE AVENUE ENTERPRISES, INC. a _____ corporation ("Optionee").

WITNESSETH, Trustee and Optionee have entered into an agreement as of the date hereof (the "Unrecorded Agreement"), whereby Trustee has granted unto Optionee the exclusive option to purchase from Trustee, upon the terms and conditions therein contained, all those certain tracts of land, situate in the 39th Ward of the City of Philadelphia, Commonwealth of Pennsylvania, more particularly bounded and described on Schedule A annexed hereto and hereby made a part hereof (the "Land").

Together with all right, title and interest of Trustee, if any, in and to all buildings and improvements located on the Land (the "Improvements").

Together with all right, title and interest, if any, of Trustee in and to all fixtures, equipment, and personal property and appurtenances located on or used in connection with the operation and maintenance of the Land and/or Improvements.

Subject, however, to matters described in the Unrecorded Agreement.

Among other terms, covenants, conditions and provisions therein, the Unrecorded Agreement provides that Optionee may exercise such option at any time between the date Trustee receives payment in full of the option price in accordance with the Unrecorded Agreement (the "Commencement Date") and 11:59 P.M. on the day preceding the tenth anniversary of the date of the Unrecorded Agreement, subject to acceleration and extension as provided in the Unrecorded Agreement.

It is expressly understood and agreed that this Memorandum of Option Agreement is for the purpose of giving notice of the Unrecorded Agreement. Reference to the Unrecorded Agreement should be made for any and all purposes.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Option Agreement as of the day and year first above written.

TRUSTEE:

CHESTER B. SALOMON, as Chapter 11
Trustee of Overland Corporation

OPTIONEE:

DELAWARE AVENUE ENTERPRISES, INC.

By: _____

Name:

Title:

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

On the ____ day of _____, 1988, before me personally came CHESTER B. SALOMON, to me known and known to me to be the individual described in and who executed the foregoing instrument, as Trustee of Overland Corporation, Debtor in a Chapter 11 proceeding pending in the United States Bankruptcy Court for the Southern District of New York, and he acknowledged to me that he executed the same as such Trustee.

Notary Public

STATE OF _____)
 : ss.:
COUNTY OF _____)

On this ____ day of _____, 1988, before me personally came _____ to me known, who being duly sworn, did depose and say that he resides at _____; that he is the _____ of DELAWARE AVENUE ENTERPRISES, INC., the corporation described in, and which executed, the above instrument and that he executed the same on behalf of Delaware Avenue Enterprises, Inc. pursuant to proper resolution of the Board of Directors of said Delaware Avenue Enterprises, Inc.

Notary Public

AR200192

Schedule F

NOTICE OF TERMINATION OF OPTION AGREEMENT
(if Memorandum of Option Agreement Recorded)

THIS NOTICE OF TERMINATION OF OPTION AGREEMENT is made this _____ day of _____, 1988, by and between CHESTER B. SALOMON, as Chapter 11 trustee (the "Trustee") of Overland Corporation, a Pennsylvania corporation, the debtor in a case pending in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") (Case No. 87B10026(PBA)) _____ corporation ("Optionee") and DELAWARE AVENUE ENTERPRISES, INC.

WITNESSETH, Trustee and Optionee entered into that certain agreement (the "Unrecorded Agreement") dated the _____ day of May, 1988, subject to matters described therein, whereby Trustee granted unto Optionee the exclusive option to purchase from Trustee, upon the terms and conditions therein contained, all those certain tracts of land, situate in the 39th Ward of the City of Philadelphia, Commonwealth of Pennsylvania, more particularly bounded and described on Schedule A annexed hereto and hereby made a part hereof (the "Land").

Together with all right, title and interest of Trustee, if any, in and to all buildings and improvements located on the Land (the "Improvements").

Together with all right, title and interest, if any, of Trustee in and to all fixtures, equipment, and personal property and appurtenances located on or used in connection with the operation and maintenance of the Land and/or Improvements.

Simultaneously therewith Trustee and Optionee entered into a memorandum giving notice of the Unrecorded Agreement, which memorandum was subsequently recorded in the Department of Records in and for the County of Philadelphia, Commonwealth of Pennsylvania.

Pursuant to the terms, covenants, conditions and provisions therein, the Unrecorded Agreement or of subsequent agreements (if any), between Trustee and Optionee, Trustee and Optionee have agreed that as of the Effective Date (as hereinafter defined), the Unrecorded Agreement shall terminate and be of no further force or effect; provided, however, that such termination shall not be deemed to relieve either party to the Unrecorded Agreement or subsequent agreement (if any) from any obligations which under the terms thereof are to survive the termination of the Unrecorded Agreement or from any obligations resulting from any claimed default by either party under the Unrecorded Agreement which occurred prior to or resulted in such termination.

For the purposes hereof the Effective Date shall be _____

It is expressly understood and agreed that this Notice of Termination of Option Agreement is for the purpose of giving notice of the termination of the Unrecorded Agreement. Reference to the Unrecorded Agreement or to such subsequent agreement between Trustee and Optionee (if any) should be made for any and all purposes.

IN WITNESS WHEREOF, the parties have executed this Notice of Termination of Option Agreement as of the day and year first above written.

TRUSTEE:

CHESTER B. SALOMON, as Chapter 11
Trustee of Overland Corporation

OPTIONEE:

DELAWARE AVENUE ENTERPRISES, INC.

By: _____

Name:

Title:

Taxpayer I.D.:

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

On the ____ day of _____, 1988, before me personally came CHESTER B. SALOMON, to me known and known to me to be the individual described in and who executed the foregoing instrument, as Trustee of Overland Corporation, Debtor in a Chapter 11 proceeding pending in the United States Bankruptcy Court for the Southern District of New York, and he acknowledged to me that he executed the same as such Trustee.

Notary Public

STATE OF _____)
 : ss.:
COUNTY OF _____)

On this ____ day of _____, 1988, before me personally came _____ to me known, who being duly sworn, did depose and say that he resides at _____; that he is the _____ of DELAWARE AVENUE ENTERPRISES, INC., the corporation described in, and which executed, the above instrument and that he executed the same on behalf of Delaware Avenue Enterprises, Inc. pursuant to proper resolution of the Board of Directors of said Delaware Avenue Enterprises, Inc.

Notary Public

NOTICE OF TERMINATION OF OPTION AGREEMENT
(if Option Agreement Recorded)

THIS NOTICE OF TERMINATION OF OPTION AGREEMENT is made this _____ day of _____, 1988, by and between CHESTER B. SALOMON, as Chapter 11 trustee (the "Trustee") of Overland Corporation, a Pennsylvania corporation, the debtor in a case pending in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") (Case No. 87B10026(PBA)) _____ corporation ("Optionee") and DELAWARE AVENUE ENTERPRISES, INC.

WITNESSETH, Trustee and Optionee entered into that certain agreement (the "Agreement") dated the _____ day of May, 1988, subject to matters described therein, whereby Trustee granted unto Optionee the exclusive option to purchase from Trustee, upon the terms and conditions therein contained, all those certain tracts of land, situate in the 39th Ward of the City of Philadelphia, Commonwealth of Pennsylvania, more particularly bounded and described on Schedule A annexed hereto and hereby made a part hereof (the "Land").

Together with all right, title and interest of Trustee, if any, in and to all buildings and improvements located on the Land (the "Improvements").

Together with all right, title and interest, if any, of Trustee in and to all fixtures, equipment, and personal property and appurtenances located on or used in connection with the operation and maintenance of the Land and/or Improvements.

Simultaneously therewith, Optionee recorded the Agreement in the Department of Records in and for the County of Philadelphia, Commonwealth of Pennsylvania.

Pursuant to the terms, covenants, conditions and provisions in the Agreement or of subsequent agreements (if any), between Trustee and Optionee, Trustee and Optionee have agreed that as of the Effective Date (as hereinafter defined), the Agreement shall terminate and be of no further force or effect; provided, however, that such termination shall not be deemed to relieve either party to the Agreement or subsequent agreement (if any) from any obligations which under the terms thereof are to survive the termination of the Agreement or from any obligations resulting from any claimed default by either party under the Agreement which occurred prior to or resulted in such termination.

For the purposes hereof the Effective Date shall be _____.

It is expressly understood and agreed that this Notice of Termination of Option Agreement is for the purpose of giving notice of the termination of the Agreement. Reference to the Agreement or to such subsequent agreement between Trustee and Optionee (if any) should be made for any and all purposes.

IN WITNESS WHEREOF, the parties have executed this Notice of Termination of Option Agreement as of the day and year first above written.

TRUSTEE:

CHESTER B. SALOMON, as Chapter 11
Trustee of Overland Corporation

OPTIONEE:

DELAWARE AVENUE ENTERPRISES, INC.

By: _____
Name:
Title:
Taxpayer I.D.:

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

On the ____ day of _____, 1988, before me personally came CHESTER B. SALOMON, to me known and known to me to be the individual described in and who executed the foregoing instrument, as Trustee of Overland Corporation, Debtor in a Chapter 11 proceeding pending in the United States Bankruptcy Court for the Southern District of New York, and he acknowledged to me that he executed the same as such Trustee.

Notary Public

STATE OF _____)
 : ss.:
COUNTY OF _____)

On this ____ day of _____, 1988, before me personally came _____ to me known, who being duly sworn, did depose and say that he resides at _____; that he is the _____ of DELAWARE AVENUE ENTERPRISES, INC., the corporation described in, and which executed, the above instrument and that he executed the same on behalf of Delaware Avenue Enterprises, Inc. pursuant to proper resolution of the Board of Directors of said Delaware Avenue Enterprises, Inc.

Notary Public

AR200197

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AR200201

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----x Chapter 11

In re : Case No. 86 B 12206 (PBA)
CUYAHOGA EQUIPMENT CORPORATION, : (Jointly Administered)
et al., :
Debtors. :
-----x

NOTICE OF AMENDMENT OF OPTION AGREEMENT

TO ALL CREDITORS AND PARTIES IN INTEREST:

PLEASE TAKE NOTICE that an amendment has been executed to the Option Agreement made as of the 27th day of May, 1988, by and between Chester B. Salomon, as trustee of Overland Corporation, a Pennsylvania corporation, the debtor in a chapter 11 proceeding (case no. 87 B 10026 (PBA)) pending in the United States Bankruptcy Court for the Southern District of New York and Delaware Avenue Enterprises, Inc., a Pennsylvania corporation. A copy of this amendment is annexed hereto.

PLEASE TAKE FURTHER NOTICE that the Trustee intends to seek approval of the Option Agreement as amended on the date scheduled in the order, dated June 9, 1988, for the reasons set forth in the trustee's application, dated June 2, 1988. The hearing is scheduled for July 19, 1988 at 10:00 a.m. in courtroom

AR200202

FIRST AMENDMENT TO OPTION AGREEMENT

THIS FIRST AMENDMENT TO OPTION AGREEMENT (the "Amendment") is entered into as of June , 1988 by and between CHESTER B. SALOMON, as trustee (the "Trustee") of Overland Corporation, a Pennsylvania corporation, the debtor ("Debtor") in a Chapter 11 proceeding (Case No. 87B 10026 (PBA)) pending in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") and DELAWARE AVENUE ENTERPRISES, INC., a Pennsylvania corporation ("Optionee").

Recitals

This Amendment is entered into in reference to the following facts:

1. Trustee and Optionee are parties to an Option Agreement made as of May 27, 1988 relating to certain property as defined therein located in Philadelphia, Pennsylvania (the "Option Agreement").

2. The Trustee and Optionee wish to amend the Option Agreement in certain respects to more accurately set forth the agreement.

Terms and Conditions

NOW, THEREFORE, intending to be legally bound, the parties hereby agree as follows:

1. Paragraph 21 of the Option Agreement is restated in full as follows:

21. Successors and Assigns.

AR200203

3. Paragraph 22.2.2 of the Option Agreement is restated in full as follows:

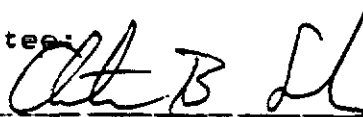
22.2.2 Any lien, encumbrance or interest in the Property granted prior to the date of this Agreement and not recorded as of the date of the Agreement, except for the Permitted Encumbrances.

4. A new paragraph 4.3 is added:

4.3 Graubard Claim. Optionee shall have no right to offset against the Exercise Price on account of Graubard claim, as described in Schedule C, item K.

Executed as of the date recited above.

Trustee:



CHESTER B. SALOMON, as Chapter 11 trustee of Overland Corporation, as attorney-in-fact

Optionee:

DELAWARE AVENUE ENTERPRISES, INC.

By S. Bernard Gellman, V.P.

Name:

Title:

Federal Tax I.D. Number:

Freedom Savings and Loan Association joins in this Amendment on the same terms and conditions as its execution of the Option Agreement.

FREEDOM SAVINGS & LOAN ASSOCIATION

By 

Name:

Title: